Daily Report

East Europe

FBIS-EEU-88-013
Thursday
21 January 1988

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CONTENTS

INTRABLOC AFFAIRS

CEMA Technical Collaboration Committee Meets 1
Pact Information Officials End Deliberations 1

BULGARIA

BCP Daily Notes Gorbachev Anniversary Address *[Primakov in RABOTNICHESKO DELO 15 Jan]* 2
Soviet Academician on Declaration *[Burlatskiy in RABOTNICHESKO DELO 15 Jan]* 2
BCP Delegation Leaves for Spanish Congress 3
Komsomol CC Plenum Activities Reported *[NARODNA MLADEZH]* 3
Purity of Sofia's Water Supply Discussed *[Sofia TRUD 14 Jan]* 4

CZECHOSLOVAKIA

CSSR Athletes To Participate in Olympics *[RUDE PRAVO 16 Jan]* 6
Turkish Protest Over Husak Message Rejected *[Skoda in Bratislava PRAVDA 15 Jan]* 6
CPCZ, LCY Sign 1988-1990 Cooperation Accord 6
Fedorov-Led CPSU CC Delegation Ends Visit *[RUDE PRAVO 18 Jan]* 7
USSR Railways Minister Meets With Blazek 7
Peruvian APRA Delegation Ends Visit, Departs *[RUDE PRAVO 18 Jan]* 7
Jakes Visits Electronics Enterprises 7
Speaks With Plant Employees 8
Pitra Addresses Farmers Meeting on Reform 9
Havlin Speaks at Political College Aktiv 9
Further on Fojtik Address to Propaganda Aktiv *[RUDE PRAVO 15 Jan]* 9
CPCZ CC Issues Resolution 18 Dec *[RUDE PRAVO 22 Dec]* 12

GERMAN DEMOCRATIC REPUBLIC

Further on Arrests of Demonstrators *[Hamburg DPA]* 28
350 Protest Latest Arrests *[Vienna ORF]* 28
GDR Deports 14 Zion Church Peace Activists *[Hamburg DPA]* 28
Bezirk Official, Bishop Gienke View Relations *[NEUES DEUTSCHLAND 18 Jan]* 28
Honecker Participates in KPD Ceremony 28
Krolikowski Speaks at Potsdam Academy 28
GDR-UK Roundtable Discusses Arms Control 29
Gorbachev Book Presented at USSR Embassy 29
Daily Comments on FRG Nuclear 'Scandal' *[NEUES DEUTSCHLAND 19 Jan]* 29
SED's Hager Meets With PSI's Craxi in Rome 30
Tourist Traffic With CSSR Increases *[NEUES DEUTSCHLAND 19 Jan]* 30
Herrmann Receives CSSR Radio Director *[NEUES DEUTSCHLAND 19 Jan]* 30
Honecker Condolences to PRC on Plane Crash *[NEUES DEUTSCHLAND 20 Jan]* 30
National Front Greets Cambodia's Chea Sim *[Phnom Penh]* 31

HUNGARY

'Bestseller' Gorbachev Book Published 32
Report on Situation of Romanian Refugees 32
Marothy Outlines Environmental Protection *[MAGYAR HIRLAP 16 Jan]* 33
Editorial Analyzes Environmental Data Bank *[Juhasz in MAGYAR HIRLAP 19 Jan]* 34
TU Presidium Votes Employment Policy Council *[NEPSZABADSAG 19 Jan]* 35
Cultural Commission Discusses Radio 36

POLAND

Jaruzelski Addresses PZPR Deputies Club 37
Warsaw Cites Bank Official on National Debt 37
Government-OPZZ Meetings on Income Policy 37
Government Press Office Economics Statement 38
Government Statement on Agricultural Policy 39
Messner Meets Scientific Review Commission 40
Messner Talks at Journalists Seminar 40
Historian: 'We Still Continue To Look Back' *[POLITYKA 2 Jan]* 40

ROMANIA

Joint Commission With EEC Meets in Brussels 46
DPRK Delegation Meets With Dinca, Andrei 46
Ceausescu Volume Published in Tel Aviv 46
Army Higher Political Council Fetes Ceausescu *[SCINTEIA 16 Jan]* 47
Ceausescu Visits Bucharest Economic Units 48

YUGOSLAVIA

Djilas Says Gorbachev Lacks Bold Ideas *[Amsterdam DE VOLKSKRANT]* 50
Foreign Policy Committee On Ties With Israel 51
Delegation Holds Talks With EC Parliament 52
Ckrebic Meets Austria's Gratz, Mock in Vienna 52
Joint Talks With Iraq Begin in Baghdad 52
Mikulic To Visit Italy, Vatican 28-30 Jan 53
Mojsov Receives Maltese Delegation *[BORBA 9-10 Jan]* 53
Mojsov Receives U.S. Senator Arlen Specter 53
CC Income 'Probably Completely Realized' *[BORBA 12 Jan]* 53
Stambolic Candidate To Head Yugoslav Bank 54
Zarkovic Briefs Foreign Journalists *[POLITIKA 15 Jan]* 54
Mamula Addresses Retired Generals *[NARODNA ARMIJA 7 Jan]* 54
Macedonian Daily Scores Christmas Messages *[BORBA 11 Jan]* 56
Kosovo Affected By Power Cuts 56

CEMA Technical Collaboration Committee Meets

AU141642 Bucharest AGERPRES in English 1534 GMT 14 Jan 88

[Text] Bucharest, AGERPRES, 14/1/1988—On 14 January Romanian Prime Minister Constantin Dascalescu received the heads of the delegations participant in the 23rd session of the CEMA Committee for Collaboration in Point of Technical and Material Supply, proceeding in Bucharest.

Participating were: A. Zapryanov, chairman of Bulgaria's Committee for Material Administration, L. Ler, deputy chairman of Czechoslovakia's Department of Federal Reserves, Sonia Rodriguez Cardona, chairman of Cuba's State Committee for Technical and Material Supply, W. Rauchfuss, vice-president of the Council of Ministers, minister of the material economy of GDR, D. Gotov, chairman of Mongolia's Committee for Technical and Material Supply, J. Wozniak, representative of the Polish Government, B. Szikszay, secretary of state, chairman of the Office for Materials and Prices of Hungary, L.A. Voronin, chairman of the Council of Ministers, chairman of the State Committee of Supply of the USSR, Hoang Duc Nghi, minister of material supply of the Socialist Republic of Vietnam.

During the interview the sides pointed out the relations of tight collaboration between Romania and the countries participant in the session and stressed the wide possibilities extant along the path of developing and diversifying the collaboration between them in the economic, technological, scientific and other domains of activity, and of solving with joint effort some problems of great importance for the development of their national economies. In this context the sides outlined the importance of better using the technical and material base of the socialist countries and set forth the fact that deepening the collaboration and cooperation among the CEMA-member countries serves the socialist construction, the progress and welfare of their peoples.

Pact Information Officials End Deliberations

LD201340 Warsaw Domestic Service in Polish 1300 GMT 20 Jan 88

[Text] A routine meeting of the multilateral group for the exchange of operative information of the Warsaw Pact states ended in Warsaw today. During the 2-day meeting, information and views were exchanged on topical international questions.

The participants met Deputy Foreign Minister Jan Majewski for a talk.

BCP Daily Notes Gorbachev Anniversary Address

AU201654 Sofia RABOTNICHESKO DELO in Bulgarian 15 Jan 88 p 6

["Article" by Academician Yevgeniy Primakov: "Consistent Leninist Approach," published on a special page devoted to the second anniversary of Soviet leader Mikhail Gorbachev's peace declaration]

[Text] The Leninist methodology in the approach toward international affairs played a special role in the development of the USSR's foreign policy in recent years. This appeared at all stages of the preparations for the Washington summit; on the occasion of the Geneva meeting, as well as in Mikhail Gorbachev's 15 January 1986 declaration on the elimination of nuclear weapons and other mass destruction means, and at the Reykjavik meeting.

The progress toward the Soviet-American Washington summit was neither smooth, nor easy, nor did it proceed without any obstacles. Questions, such as whether the resistance of those circles whose existence is guaranteed by the development of militarism will be overcome, or whether the inheritance of the past may not be too heavy and stagnant, so that it would perhaps be impossible to interrupt the fateful chain of controversies, contradictory interests, and distrust may have frequently occurred as a matter of fact. I remember that even in our press there were discussions as to whether it is worthwhile to deal with the present U.S. Administration, which in the first stages of the preparations, unmistakably demonstrated its efforts to obstruct progress in this area. The historical optimism of the supporters of the new philosophy, however, was undoubtedly justified. Nevertheless, the question did not only involve optimistic forecasting. Optimism was actually supported by daily experience. This was the main factor that produced the expected results.

From the very beginning of the progress toward practical agreements on the limitation of nuclear armaments, the policy of the USSR was aimed at an uninterrupted process of preparation, at the consistent implementation of this policy. This was most brilliantly expressed in the plan on the gradual elimination of nuclear weapons until the end of this century, which was defined in the declaration of 1986. As is known, in Reykjavik we combined the limitation of all types of nuclear weapons and the problem of not extending nuclear weapons to outer space in one package. At a later stage, we separated the problem of medium-range missiles from the package, when it became obvious that this would be the most realistic way out from the dead end into which U.S. resistance was directing the entire arms reduction process. However, both in dissolving and combining the package of proposals, for tactical reasons, we never renounced the necessity of striving for an integral, uninterrupted disarmament process. We always avoided the trend of engaging in purely separatist agreements, regardless of their importance.

Along with this, the Soviet Union succeeded in consolidating the policy of unifiying all trends in the struggle for the alleviation of international tension.

Soviet Academician on Declaration

AU201703 Sofia RABOTNICHESKO DELO in Bulgarian 15 Jan 88 p 6

["Article" by Prof Dr Fedor Burlatskiy: "Platform For Joint Activities" included on a special page devoted to the second anniversary of Soviet leader Mikhail Gorbachev's peace declaration]

[Text] The declaration issued by Mikhail Sergeyevich Gorbachev on 5 January 1986 represents the final solution in the search for a platform of joint cooperation between the USSR and the United States, between Eastern and Western Europe, and among all states in our contemporary world. It is no coincidence that the plan on gradual disarmament, which was set forth in this declaration, became the main subject of the dialogue and discussions held at the Moscow forum "For a Nuclear-Free World and the Survival of Mankind," which took place in 1987. This plan became the point of departure for the progress toward a mutual drawing closer together, for compromises aimed at averting thermo-nuclear war.

It is a fact of particular importance that the postulate submitted by the Soviet Union regarding the prevention of thermo-nuclear war and pertaining to the argument that there can be no winners in such a war, which would be a disaster for all mankind, was approved by the leadership of the United States. This was a great step forward in setting forth the new political thinking. It became the basis of practical solutions in this area.

The new thinking has another aspect of exceptionally great importance. It is high time to halt the nuclear arms race, as well as the race for conventional and other kinds of weapons. This race is irrational and quite dangerous for both sides—East and West.

Actually, no one, including President Ronald Reagan himself, openly disputes this point. He admits that the production of mass destruction weapons has become pointless and that they should be reduced. There is even more—during the Reykjavik and Washington summits the President even admitted the necessity of a nuclear-free world as expressed in Mikhail Gorbachev's 1986 declaration. Regardless of this admission, however, the U.S. leadership is looking for a little loophole which would allow them to pursue the arms race.

This little loophole is represented by the SDI program, which is claimed as a method of transition from the stage of producing offensive weapons to the production of defensive ones. However, this argument to which President Ronald Reagan attaches such great importance is now exerting less and less influence, even upon American public opinion. I am convinced that soon the time

will come when the U.S. public will have its final say on the subject of SDI—which is a considerable obstacle in the path of ending the arms race.

BCP Delegation Leaves for Spanish Congress

AU201627 Sofia Domestic Service in Bulgarian 1600 GMT 20 Jan 88

[Text] A BCP delegation led by Nacho Papazov, chairman of the Central Control-Auditing Commission, has left for Madrid, at the invitation of the Spanish Socialist Workers' Party. The delegation will be participating in the 31st Congress of the Spanish Socialist Workers' Party.

Komsomol CC Plenum Activities Reported

AU201420 [Editorial Report] Sofia NARODNA MLADEZH in Bulgarian on 16 and 19 January carries the announcement, resolution, and main report of the 15 January second plenum of the Dimitriv Komsomol Central Committee.

Sofia NARODNA MLADEZH in Bulgarian on 16 January on page 1 carries an 800-word announcement on the 15 January Second Plenum of the Dimitrov Komsomol. The plenum, which has been attended by Chudomir Aleksandrov, member of the BCP Central Committee Politburo and Central Committee secretary, had the following agenda:

"1. Concerning the further restructuring of the Dimitrov Komsomol on the basis of the decisions of the BCP Central Committee July and November 1987 Plenums and the 15th Congress of the Dimitrov Komsomol.

"Provisional premises about the Komsomol organs' functions and structure.

"2. Proposal on the Dimitrov Komsomol's 1988 budget and payroll.

"3. Organizational matters." Andrey Bundzhulov, first secretary of the Komsomol Central Committee spoke on the first item of the agenda. "Luchezar Shishkov, secretary of the Komsomol Central Committee, presented information on the 1988 budget and payroll of the Komsomol."

The plenum adopted the following organizational changes:

"Atanas Golev and Kostadin Filipov have been released from the Bureau of the Dimitrov Komsomol Central Committee because of transfer to other posts.

"Valentin Danevski, NARODNA MLADEZH chief editor, has been elected member of the Bureau of the Dimitrov Komsomol Central Committee."

In addition to these changes Boyko Ivanov was elected chairman of the Council of the Working Youth; Valentin Mladenov—chairman of the Council of Peasant Youth; Veselin Peshlov—chairman of the Council of High School Youth; Veselina Vasileva—chairman of the Council of University Youth; and Dr. Dimitur Dimitrov—chairman of the Council of Young Scientific Workers.

The same newspaper on pages 1 and 2 carries the 1,000-word "Resolution of the 15 January 1988 Second Plenum of the Dimitrov Komsomol Central Committee." The document lists the following main decisions, which have been adopted by the plenum:

The Komsomol Okrug Committees have been abolished and their functions transferred to the Komsomol Municipal Committees;

"A new structure has been adopted, which complies with the new functions and tasks of the Dimitrov Komsomol;

"For this purpose the following councils have been established:

"Council of the Working Youth;

"Council of the Peasant Youth;

"Council of the High School Youth;

"Council of University Youth; and

"Council of Young Scientific Workers."

In addition, the plenum has approved the establishment of several commissions in charge of developing the young people's world outlook; preparing youth's participation in the scientific-technical revolution; youth's social issues; the organizational issues of the Dimitrov Komsomol; and the international issues of the Dimitrov Komsomol.

The Resolution of the 15 January second plenum of the Dimitrov Komsomol Central Committee also points out the necessity of "further implementing the strategic course adopted by the 13th BCP Congress and the BCP Central Committee July and November 1987 Plenums." In this context the decision instructs the Municipal Committees of the Dimitrov Komsomol "to organize the study of the new party and state documents." In conclusion the decision expresses confidence that Bulgarian youth "will take an active part in implementing the 1988 plan, introducing the new economic mechanism, placing social property under the management and administration of the workers' collectives, and implementing the qualitatively new stage in developing agriculture.

Sofia NARODNA MLADEZH in Bulgarian on 19 January on pages 2 and 3 under the headline "Restructuring—Chance and Fate of the Young Generation" carries

the approximately 10,000-word "Report of the Bureau of the Dimitrov Komsomol Central Committee to the 15 January Second Plenum of the Dimitrov Komsomol Central Committee."

The report consists of a brief preamble, which stresses the importance of the "profound social changes" and "the road of revolutionary transformation in Bulgaria," and three parts: "First Conclusions Concerning the Restructuring of the Dimitrov Komsomol Under the New Conditions"; "Restructuring the Functions and Structure of the Komsomol Organs"; and "Concerning Some Urgent Tasks."

The first part surveys the results achieved after the 15th Congress of the Dimitrov Komsomol, and points out:

"The congress irrefutably proved that the overwhelming part of the youth accept restructuring with conviction and actively support it."

The young people's "striving toward the new thinking, consonant with the party strategy toward a new qualitatively new growth" is also pointed out.

The following changes in the Komsomol's activity after the congress are listed:

"Developing the process of democratization in the organization's internal life;

"Developing an open dialogue on issues of Komsomol work and the roads of renewing this work."

The report emphasizes the attempt to turn the Komsomol into an organization with a new image, "closer to the young people, more natural, and more appealing to the young people." In this context it points out that, while the democratization of various aspects of the organization's internal life has been accepted with understanding and approval by the young people, "it has been mainly understood as democratization of the forms of the Komsomol activities, and not their contents." The report stresses that "the main problem is that we are not sufficiently prepared to work under the modern conditions, and we lack the necessary experience and sufficient conviction."

The second part deals with restructuring the functions and structure of the Komsomol organs. It points out the necessity of "turning the Komsomol and organizations and units into self-managing organizations," and "asserting the Komsomol as a real factor of the new social communities." It urges the Komsomol organizations "to find their own political image in the self-managing organizations" and "assert significant changes in the application of the principle of democratic centralism, which is to be placed on a new foundation—the principle of self-management." In this context the report emphasizes the importance of "improving control from the bottom to the top"; "eliminating the intermediate level of the Komsomol organization's hierarchy"; improving direct cooperation with the municipal organs; "increasing the responsibility and independence of the Komsomol Municipal Committees"; and "asserting the Komsomol as a real political power in the life of the working collective, the municipality, and society."

The third part surveys "certain urgent tasks of the Dimitrov Komsomol." Among those tasks the report lists: "The Komsomol's active participation in implementing the plan on socioeconomic and scientific-technical development"; "participation in placing social property under the management and administration of the workers' collectives"; facilitating the implementation of various party and state decisions; intensifying the social and political activity of the Komsomol members; and encouraging the ability to assume risks. The report emphasizes "the vital importance of assisting and supporting the party organizations and committees.

In conclusion, the report points out:

"We understand that in many respects it is impossible to implement party leadership in the manner in which it has been done until now and that serious changes will be introduced in this area and new forms and mechanism will be sought. One thing is clear for us: The Komsomol organizations, units, and organs will be expected to demonstrate greater activity, independence, and responsibility. We shall strive toward this goal with all our forces."

Purity of Sofia's Water Supply Discussed

AU151507 Sofia TRUD in Bulgarian 14 Jan 88 p 2

[Interview with Dr Lyubomir Kumanov, director of the Institute of Hygiene and Epidemiology in Sofia, by Plamen Kamenov: "What Kind of Water Are the Sofia Residents Drinking?"]

[Excerpts] [passage omitted] [Kamenov] Dr Kumanov, people are saying terrible things, that we have been drinking effluent from Samokov, and that the hepatitis epidemic comes from the Iskur Reservoir....

[Kumanov] Really, that's the limit, so it's happening again.... I can't understand how people can tell such tall tales!

[Kamenov] But all the same....

[Kumanov] Listen here. Sofia Residents drink good water, and I say this as a medical man, as a director, and as an inhabitant of this city. State standards exist, and they are being observed. We test the water daily, and the "Water Supply and Drainage" Economic Trust carries out such testing. However, the most trustworthy data is provided from laboratory investigations of the chemical and microbiological indices. These show that the water is good, and contains no nitrates, nitrites, or pesticides!

[Kamenov] Only I hope it isn't proved that our standards have been reduced! [Kamenov] Impossible! Uniform standards have been agreed on for the CEMA member countries, and they are not inferior to those of the other developed countries.

[Kamenov] This is all very well, but why is it that when we turn on the faucet at home, there are bits of dirt left in the washbasin?

[Kumanov] This is because half Sofia's drinking water is not mechanically purified before it is supplied! It is because a filter station for the capital has been under construction for I don't know how many years.... Until it comes into service, the mechanical impurities will remain. Although this is not the only problem....

[Kamenov] You have really succeeded in "reassuring" us!

[Kumanov] In a number of Sofia districts (especially in the center) the water supply network is 50-60 years old. There are breakdowns every day. Repairs are constantly being carried out, and in the process the pipes are inevitably contaminated. Apart from this, due to the incomplete mechanical cleansing of the water, the water pipes have a layer of impurities. When the water is shut off, and then turned on with a stronger flow, these impurities are stirred up and.... I know that the Sofia City People's Council has a program for replacing the obsolete water supply system, but I don't know when it will be completed, nor do I know when the filter station will come into operation.

[Kamenov] Thank you for your frankness. The prospects regarding the mechanical impurities have now been made clear....

[Kumanov] However, the chemical and microbiological analyses are good, and everyone should know this! The original composition of Sofia water is good, and one should mention the effect of the disinfecting factors (the water passes through 14 chlorinating stations on its way to the user).

[Kamenov] So it seems that the water cannot be the cause of the hepatitis epidemic?

[Kumanov] First, one cannot speak of an epidemic! Between 1,000 and 2,100 people contract hepatitis in Sofia every year, and last year there were 1,400 cases.

[Kamenov] Isn't that a large number?

[Kumanov] It is, but please take note that the water has nothing to do with it. At least in Sofia! Though, in fact, you might say there is a connection, because most cases have hepatitis "A," which is the so-called "dirty hands" disease. There is much more to be desired in raising the health and hygiene standards of Sofia's citizens, but all the same, the number of cases of hepatitis in Sofia last year was almost half the average figure for the country as a whole. [passage omitted]

CSSR Athletes To Participate in Olympics

AU201734 Prague RUDE PRAVO in Czech 16 Jan 88 p 7

["Communique on the Joint Session of the Presidium of the Central Committee of the Czechoslovak Union of Physical Training and the Czechoslovak Olympic Committee"]

[Text] At their joint meeting held on 15 January this year, the Presidium of the Central Committee of the Czechoslovak Union of Physical Culture [CSTV] and the Czechoslovak Olympic Committee [CSOV] discussed and approved the nomination of Czechoslovak athletes for the 15th Winter Olympic Games in Calgary, which will be attended by ice hockey, skiing, biathlon, figure skating, sled, and speed-skating representatives. The long training of the Czechoslovak athletes, the purpose of which is to represent the CSSR well, will culminate with their start in the competitions at the 15th Winter Olympic Games.

At the same time the Presidium of the CSTV Central Committee and the CSOV discussed the National Olympic Committee's invitation to the 24th Olympic Games in 1988. They noted that the choice of Seoul as the venue of these games was unsuitable as the interal political situation in South Korea documents. However, the CSOV and the CSTV Central Committee consider it necessary to actively apply and develop the ideals of the Olympic movement, which represent in the present-day world a force standing on the side of peace, understanding, and friendship among nations. Therefore the CSOV decided to accept the invitation to the 24th Olympic Games, and thereby contribute to the improvement of the international situation and the implementation of the new thinking in international relations.

The Presidium of the CSTV Central Committee and the CSOV continue supporting proposals to hold some of the Olympic competitions on the DPRK territory. They believe that with the active contribution of the International Olympic Committee an acceptable solution will be found, which will be in harmony with the desires of the Korean people and correspond to the spirit of the Olympic movement.

Turkish Protest Over Husak Message Rejected

AU201440 Bratislava PRAVDA in Slovak 15 Jan 88 p 7

[Jan Skoda commentary: "The Issue Is Not 'Democracy Lessons' But Democracy Itself; Turkey Disapproves of the Contents of CSSR President's Letter"]

[Excerpts] According to an AFP report, Turkey has protested against CSSR President Gustav Husak's message, in which he asked Kenan Evren, the Turkish president, for the release from prison of Haydar Kutlu and Nihat Sargin, two leading representatives of the United Communist Party of Turkey. The French agency reports that the Czechoslovak ambassador in Ankara has even been summoned to the Turkish Ministry of Foreign Affairs where he was given information about the "judiciary and constitutional system in Turkey." A spokesman for the Turkish Ministry stressed that "when it comes to human rights, Turkey does not have any need to take lessons in democracy from Czechoslovakia."

Aside from the offensive and absolutely unwarranted tone used by the representative of the Turkish Government, it is necessary to draw attention to a few facts.

First, the Czechoslovak president did not give anyone any "lessons in democracy." On the basis of irrefutable arguments he merely asked for the release of the two political representatives for humanitarian reasons. He appealed to the fact that Turkey is one of the signatories of the Final Act of the Helsinki CSCE, which enshrines respect for basic human rights. As far as we know, the Turkish Government under President K. Evren's leadership has not dissociated itself from the Final Act. Consequently, it should implement its provisions.

Second, the world public is familiar with the reality of "Turkish democracy." There are some 50,000 political prisoners in the country, most of whom have in their records the remark: sentenced to death or to long-term prison term. Communist and workers parties and even trade unions are strictly banned in the country, regardless of the many assurances by Turkish Government representatives about respect for the political rights and liberties of citizens in the country, to say nothing about human rights. The brutality of the Turkish police and security forces is almost unparalleled in Europe. Everyone suspected of activity in left-wing organizations or in trade unions is cruelly persecuted and ruthlessly tortured in prison. [passage omitted]

Information on such cruelties has been provided by both Turkish and foreign mass information media. As a matter of fact, the Turkish authorities have evidence of them at home, in the torture chambers of their security forces. This is where they should look first before adopting offensive and utterly subjective decisions. CSSR President Gustav Husak's voice, which expresses the concern of Czechoslovak Communists and all our people, was warranted. It was neither the first nor the last such voice in the world.

CPCZ, LCY Sign 1988-1990 Cooperation Accord

LD201800 Prague CTK in English 1602 GMT 20 Jan 88

[Text] Belgrade Jan 20 (CTK correspondent)—Marko Orlandic, member of the presidium of the League of Communists of Yugoslavia, received here today Michal Stefanak, head of the Czechoslovak Communist Party International Policy Department.

The two representatives voiced bilateral interest in further extension of cooperation between the two parties. They supported the Soviet peace initiatives and appreciated further initiatives aimed at strengthening peace and cooperation in the world.

At the close of Michal Stefanak's friendly working visit to Yugoslavia, a document on cooperation between the Czechoslovak Communist Party and the League of Communists of Yugoslavia for the next two years was signed.

The document proceeds from good results of party cooperation and creates prerequisites for exchanging experiences from all spheres of party work.

Fedorov-led CPSU CC Delegation Ends Visit
AU201423 Prague RUDE PRAVO in Czech
18 Jan 88 p 2

[CTK report in the "International Relations" column]

[Text] A study delegation of the CPSU Central Committee led by Rafael Fedorov, deputy head of a CPSU Central Committee department, left Prague by air for home on Sunday [17 January]. During its stay in the CSSR, the delegation paid visits to the West Bohemian and South Bohemian regions, where it expressed interest in the current level of contacts of friendship, the realization of direct production and scientific-technical relations with enterprises in the USSR, and in the standard of spa care and its further development. Discussed were issues pertaining to the realization of restructuring in the USSR and the CSSR, and the implementation of the conclusions of the Seventh CPCZ Central Committee Session under the conditions of regional organizations. The delegation was seen off at Ruzyne Airport by Michal Stefanak, head of the CPCZ Central Committee International Affairs Department, and Viktor Lomakin, USSR ambassador to the CSSR.

USSR Railways Minister Meets With Blazek
LD191015 Prague Domestic Service in Czech
0100 GMT 19 Jan 88

[Text] USSR Railways Minister Nikolay Konarev had talks in Prague yesterday with Federal Transportation Minister Vladimir Blazek, on cooperation in securing the transportation of goods between the two states including transit on the railroads. Part of the talks was also devoted to an exchange of information on progress in restructuring in transportation.

The Soviet delegation also visited the Plzen Skoda works where it saw the manufacture of locomotives.

Peruvian APRA Delegation Ends Visit, Departs
AU201444 Prague RUDE PRAVO in Czech
18 Jan 88 p 2

[CTK report in the "International Relations" column]

[Text] A delegation of the Peruvian American Popular Revolutionary Alliance [APRA] headed by General Secretary Armando Villanueva del Campo, which paid a visit to the CSSR at the invitation of the Central Committee of the CSSR National Front, left Czechoslovakia by air on Sunday [17 January].

Jakes Visits Electronics Enterprises
LD200009 Prague Domestic Service in Czech
1730 GMT 19 Jan 88

[Excerpts] Milos Jakes, general secretary of the CPCZ Central Committee, has paid a 2-day visit to the North Moravian region. [passage omitted] he visited the working people of the Tesla Roznov pod Radhostem enterprise. Pavel Smid reports:

[Smid] The Roznov enterprise is one of the most important for the entire production unit of Tesla electronic components. It contributes a full 50 percent of total production, and consumers receive products to the value of over Kcs3.5 billion from there. At the same time, almost one-third is exported. The production of color TV sets no doubt is one of the most intensive plans. Since its opening in 1984, 1,277,387 sets have left the production line so far.

I say this because Comrade Jakes today was symbolically presented with a set with that production number.

He got acquainted here in detail with modern technology.

The collectives have mastered licensed production to the extent that they have exceeded Toshiba's guaranteed parameters through their production and efficiency, which now stands at over 60 percent. However, according to the way Comrade Jakes was briefed by the working people, they are seeking further ways to increase production efficiency, above all by uncovering their own reserves through a complete transition toward the team method of organization of labor oand remuneration and, of course, also by means of application of scientific-technological development, specifically by introducing robots. In 2 years they should replace the work of 150 people and increase the efficiency of color sets by up to 70 percent.

During his inspection, Comrade Jakes also stopped at the workplace of the collective of the team of socialist labor, led by Comrade Malikova.

[Begin recording] [Malikova] This is what we are assembling at the color TV assembly point.

[Jakes] Is that what you are making?

[Malikova] Yes. I would like to ask you, comrade secretary, to sign your name in the book of CSSR-Soviet friendship and I would like to ask you your view as to the production of this color TV set and what interested you most from what you have seen here in this short time.

[Jakes] The main thing is that the comrade director could note that you have been achieving and exceeding the planned task—that is the most important thing, because that has not happened for a long time. One has to express thanks for that.

[Malikova] Yes, that is what we have achieved. [words indistinct]

[Jakes] The quality of your work is good, isn't it?

[Malikova] We are investing all our efforts into quality. Claims are minimal, so we are really glad of that.

[Jakes] Quality is the main thing, isn't it? One must adhere to it—quality is the main thing. So far, color sets have been in short supply, demand is not satisfied, so far there have been delays and so it is necessary to satisfy demand more rapidly.

[Malikova] Thank you, goodbye. [end recording]

After viewing the color TV production line Comrade Jakes visited yet another peak workplace—the new place of production of integrated circuits, that is those components which determine the fulfillment of the program of development of electronics in the national economy. Roznov electronic engineers have achieved a density of up to several tens of thousands of elements in a single chip—that is the area of a silicon chip the size of a pinhead. Production must be almost tripled during this 5-year plan. They will also increase the range of goods for various applications, whether in electronics, health care, engineering, or consumer electronics.

If, however, Roznov employees are to meet the heavier demands of consumers it is not enough for them to produce the components; they must also test and measure them. But it is precisely in this that they are encountering numerous problems, above all in the lack of convenient measuring and testing systems from the enterprise of automation and computer technology in Banska Bystrica, [word indistinct] Nove Mesto nad Vahom, and other organizations.

When viewing this production line, Comrade Milos Jakes expressed a lively interest in the results achieved, and in the quality and reliability of the technological equipment. At the same time he praised the fact that it is possible to replace the imported materials by the domestic materials, namely those that cover over 80 percent of production of integrated circuits.

After having viewed the production lines, Comrade Milos Jakes had a conversation with front-ranking employees and representatives of the Tesla electronic components enterprise at Roznov pod Radhostem. Jakes, left for a visit to the luminescent screen enterprise at Valasske Mezirici, where tubes for color TV sets are manufactured.

Speaks With Plant Employees

LD200019 Prague Domestic Service in Czech 2030 GMT 19 Jan 88

[Excerpts] Milos Jakes, general secretary of the CPCZ Central Committee, has paid a 2-day visit to the North Moravian region. [passage omitted] Today Milos Jakes visited the Sklounion enterprise at Valasske Mezirici. He got acquainted with the production program of Valasske Mezirici glass workers who assemble almost three-fifths of glass components for color TV sets. Comrade Jakes viewed the production floors of the enterprise, where he was interested in the main problems of production which include, in particular, a manpower shortage.

After viewing other production lines, Comrade Milos Jakes met with members of the enterprise unit of the People's Militia. In his conversation with the party, trade union, and youth union officials, and leading economic employees, Milos Jakes praised the fact that the enterprise has overcome the barrier of not mastering significant production by employing a responsible approach toward problem solving. There must be continued efforts to master all the demanding tasks. It is good that such efforts are not being aimed only at the present, but also at the prospects of the enterprise production program.

The strategy of accelerating social and economic development is the basis of our policy, Comrade Jakes said. We cannot meet these tasks by old methods. That is why we are carrying out restructuring of the economic mechanism in close connection with the further deepening of socialist democracy. We are concerned, Milos Jakes stressed, for people to be interested in management, decision-making, and problem solving, and that they strengthen their relationship with the labor collective of their workshop, production line, and enterprise.

We must enforce in practice a realistic view of all things. Let us have a look, for example, at demonstrating the contribution of the inventors and innovators movement, and the initiative of working people in saving raw materials, fuels, and power to the value of millions of korunas. Let us discuss where these savings are going.

In the deliberations at annual meetings, Comrade Milos Jakes continued, one should include a critical, matter-of-fact approach toward problem solving and shortcomings, and one should not be afraid to be open in saying who has to do more work. Every Communist must start with himself or herself and set an example to others, Comrade Milos Jakes stressed.

Pitra Addresses Farmers Meeting on Reform
LD191844 Prague Domestic Service in Czech 1600 GMT 19 Jan 88

[Text] A joint session of the Central Czech and Slovak Committees of the Union of Cooperative Farmers opened in Olomouc today. The participants are discussing the implementation of the seventh session of the CPCZ Central Committee conclusions in the Union. As the report notes, the issue involves, above all, increasing the production and quality of food and achieving a better standard of economic indices.

Frantisek Pitra, Presidium candidate member and Party Central Committee secretary stressed in the discussion that now above all, is the time to start working in the spirit of restructuring of the economic mechanism and broad democratization and to expand enterprising ideological educational and organizational work in labor collectives. In explaining the progress in restructuring the economic mechanism in the agricultural food complex, he said that the essence of the changes is in stressing the principles of merits in the economy of enterprises, implementing true financial autonomy, and remunerating according to the results of work.

Havlin Speaks at Political College Aktiv
LD190252 Prague Domestic Service in Czech 1700 GMT 18 Jan 88

[Text] The college-wide aktiv of teachers, students, and staff of the CPCZ Central Committee Political College today in Prague discussed the tasks of the college in the coming period.

Josef Havlin, secretary of the CPCZ Central Committee, said in his speech that the college must approach in an exacting and creative way the theoretical tackling of issues connected with ongoing social issues. At the same time, he emphasized the need to increase the Political College's contribution to the improvement of the preparation of cadres and the education of the new generation of political functionaries who are able to efficiently carry out the party policy under the new conditions of social development in the nineties.

The rector, Ladislav Novotny, emphasized the need to change the content of teaching and improve the scientific work in such a way as to make it contribute to the settlement of topical social problems.

Further on Fojtik Address to Propaganda Aktiv
AU201048 Prague RUDE PRAVO in Czech 15 Jan 88 pp 1,3

[CTK report: "Ideological Aktiv on Propaganda Orientation; Agreement Demands Practical Deeds"]

[Excerpts] Prague (CTK)—A statewide ideological aktiv on propaganda orientation in 1988, particularly in connection with the restructuring of our economic mechanism, was held in the Social Hall of the Palace of Culture in Prague on Thursday [14 January]. The meeting was convened by the CPCZ Central Committee's Agitation and Propaganda Department.

The deliberations were attended by Jan Fojtik, candidate member of the CPCZ Central Committee and Central Committee secretary; by Josef Havlin, CPCZ Central Committee secretary; by heads of CPCZ Central Committee departments; by the executive staff of state and social organizations rallied in the National Front; by the regional, city, and district committee secretaries for ideological work of the CPCZ and the Slovak Communist Party (CPSL); by the representatives of mass communications media; by the deputy chairmen of regional and district national committees; by the CPCZ and CPSL Central Committees' corps of lecturers; and by other members of the party's ideological aktiv.

The main paper was read by Comrade Jan Fojtik. He began by stressing the significance of the seventh CPCZ Central Committee session, which elaborated on and defined in specific terms the conclusions adopted by the 17th CPCZ Congress. He recalled the momentous documents approved of or acknowledged by the session.

The CPCZ Central Committee report submitted by Milos Jakes, CPCZ Central Committee general secretary, is the basic link [svodny] of the seventh session. Its title—"For the Consistent Implementation of the 17th CPCZ Congress Line of Accelerating Economic and Social Development, for Comprehensive Restructuring, and for Deepening Socialist Democracy"—expresses the main thought of the report, Comrade Jan Fojtik said. It is from this thought that we must proceed in our propaganda and our political-upbringing activity. The report is the most momentous Party document since the 17th Party Congress. It specifies and develops the conclusions of the congress in the main directions and provides a clear-cut orientation for the party's work. It also summarizes our topical ideological tasks, in the closest possible connection with the Party's activities within the context of implementing the line of the 17th CPCZ Congress in the process of restructuring our society. The restructuring process itself must be understood as a long-term stage of development, and its main component must be inseparable from the comprehensive restructuring of our economic mechanism and the deepening of socialist democracy, Comrade Jan Fojtik stated.

One of our most important propaganda tasks in the present period is to explain the meaning and significance of restructuring and ways of realization it under our conditions. The CPSU's new course has inspired us to embark on restructuring, which is the foundation on which we will begin the new development of the CPCZ political and ideological work.

There is only one concept of socialism—the Leninist concept. And there is only one concept of restructuring—that which corresponds to the Leninist concept of socialism as the product of the creative activity of the masses.

Comrade Jan Fojtik said. The main thing is that the people's role must grow realistically, that the revolution must continue, that the achievements reached in building socialism must develop and consolidate, and that ways must be sought (and found) for raising the quality of the socialist society, for ensuring its really dynamic development, and for creating mechanisms which accelerate this development in the interests of working man, in the interests of satisfying his growing needs more and more fully, in the interests of consolidating and enhancing the authority enjoyed by socialism in the world, and in the interests of making socialism the most progressive force reliably guaranteeing peace and mankind's survival, so that it would fulfill the mission for which it was born 70 years ago in what used to be Russia. Restructuring is live and creative Leninism both in theory (which throws light on the road forward) and in practice (in the truly revolutionary, transforming activity of the Party and the people). Our Party has unreservedly professed its allegiance to it, and was not the only one to do so. At the Moscow conference in November 1986, the top representatives of the countries of the socialist community affirmed this general validity of restructuring.

The primary task of our propaganda is to make the largest possible number of citizens and young people, of all strata of the society, aware of this concept of restructuring as a comprehensive process of basic changes aimed at promoting the activation of the human factor (the conditions of this activation being man's real role in production and in the country's political and cultural life). Of course, everybody should also know what this concept of restructuring means in his work and his civic life. The fact is that the implementation of restructuring sHould lead to a higher level of activity of the human factor; at the same time this activity itself is the condition of success in restructuring. An alibi-seeking, opportunist, and wait-and-see attitude is currently one of the most serious threats to restructuring.

We must do our utmost to make our people understand restructuring as a matter of vital concern to them—as the revolutionary continuity of all that we have achieved to date in revolutionary restructuring, and as a determined method of coping with shortcomings and with everything standing in the way of developing socialism in our country; this should enable the CSSR to make a dignified contribution to strengthening both the material and the spiritual potential of the entire world socialist community, and also to its struggle for social progress and to saving life on this planet.

Our ideological front, indeed our entire propaganda, must fulfill their duties in this respect. The CPCZ Central Committee's December [1987] session has created favorable conditions for their offensive work.

Comrade Jan Fojtik stressed that restructuring is the continuation of the revolution in the Leninist sense, involving the consolidation of the people's power, of the political and economic system of socialism, and of the system of corresponding spiritual values. It is the continuation of basic changes in the social status of man. We know that this status is in diametric opposition in the class societies based on man's exploitation by man, on social and national inequality, and on the system of private ownership, to that found in the societies living under the conditions of socialism, which are founded on the people's power and on the system of social ownership.

Nevertheless, the advantages of the new socialist system do not follow automatically from this fundamental difference. Their utilization and consolidation depends on the actual development of production forces and production relations, on the actual development of social relations in general and on the way the mechanism of the management of the society (and particularly of its economy and its social and cultural policy) is functioning. These factors are decisive in a specific situation and a specific social climate in which the people realize that their interests are identical with those of the society and are therefore prepared to show an interest in the fate of their community, their work collective, and their country—both for intrinsic motives, and also because they realize their co-responsibility for this fate, for the way the public affairs will develop, and for the way their workplace (and the enterprise and collective of which they are, and feel to be, part of) will prosper. In speaking of deformations in building socialism, we mostly mean the barriers or the hampering mechanisms preventing the use of the advantages of socialism, and thus also the activation of the human factor, of the working people's and citizens' interest in social affairs.

The Seventh CPCZ Central Committee Session proceeded from this specific comprehensive concept, which sees restructuring as a complex of fundamental changes to be carried out in the economic base, and also in the political and ideological superstructure, in order to remove as thoroughly as possible and not only half-heartedly, all the obstacles and hampering mechanisms which have existed in these spheres for so long, and in order to make the best use of the advantages concealed in the socialist social system (advantages particularly manifested in the possibility of a scientific, rational management of the society from the center and in the democratic activation of the people) in the interests of individual citizens and of society as a whole.

In the next part cf his statement Comrade Jan Fojtik dealt with the economic propaganda tasks. He recalled that, side-by-side with the transition of our enterprises to full economic accountability, it is also necessary to create a new model of central management—one which would is in harmony with our needs in intensifying the economy and ensuring its dynamic growth and is in keeping with the strategy of structural changes and modernization of our production-technical base, which should enable our country to substantially enhance its role in the international division of labor. We are proceeding from the generalized experience which we have acquired in

the economic reforms of the past, and also from the experience of other socialist countries. The projects and resolutions recently adopted in the USSR are of greatest value for us, since they summarize everybody's positive and negative experience. Our paths lead toward the same goal—the transition from administrative management by decrees and directives to economic management. Economic propaganda, Comrade Jan Fojtik stressed, must focus on explaining why the transition to the new management system is necessary, and on expounding the specific forms of this transition and the none-too-easy struggle for implementing it throughout our economy.

He then pointed out the new demands placed on the staff of the management sphere in the present period. It is essential for it to consist of politically and professionally mature people who are familiar not only with the needs of their own sector, but also with the needs of other sectors of the society as a whole—people willing to accept responsibility and not to fear risks, people willing to back a project changing things for the better. Proposals will have to be prepared as quickly as possible on how our ideological institutions will contribute toward raising the executive staff's qualifications and on the use to be made of the communications media for this purpose, Comrade Jan Fojtik stated.

The communications media, and particularly television, should give far more space to publicizing the experience gathered by economic and other management cadres in their work. The criticism of bureaucratic methods (which we continue to criticize inconsistently and in far too general terms, thus evoking undesirable reactions both among the general public, and among the management staff and the aktiv of functionaries) would be far more effective, were our public better informed about the complicated and immensely demanding work of the management cadres. There is no need to drive a wedge between the working people and the management cadres. Our communications media should give no scope to materials based on such views and demagogic positions.

Comrade Jan Fojtik then dealt with the document on intensifying the flow of information to the public, which has been adopted by the CPCZ Central Committee Presidium and which has already been made public. We want the communications media to be a real rostrum for the democratic exchange of views, we want them to be the tool and the school of democratization, he said. We are aware of their extraordinary significance in involving our work collectives and citizens in the restructuring process; and we realize that such a broad involvement would be unthinkable without them. However, the document mentioned above is also addressed, and addressed with great urgency, to the executive staff and to political, state, and economic agencies, to governments, national committees, and agencies of the social organizations rallied in the National Front, to all responsible components of the political system of our society. They must inform the general public through the communications media (truthfully, and as fully as possible) about their work and about all aspects of their activity which concern the people's interests and needs. It is unthinkable—indeed, it would contradict the substance of restructuring and the Leninist concept of socialism—for the responsible institutions and individuals, and for functionaries in all sectors, to evade this duty, to fulfill it formally or in a half-hearted manner, to understand it as publicity for their activity, or to abuse it for manipulating the public opinion and so forth.

Our society is standing on the firm foundations of democratization, as represented by the National Front and by the agencies of the people's power. The prestige and authority of this political system must be consolidated, since it is one of the greatest achievements of the revolutionary transformations in our society. This is an extremely momentous task, which also confronts our propaganda, Comrade Jan Fojtik stressed.

The problems mentioned here were also discussed at the Seventh CPCZ Central Committee Session; they were discussed frankly and in a principled manner. The activity of National Front organizations and agencies must be emphatically revived. This must be also reflected in the communications media. We must put an end to descriptions of our society as a society in which everything has to be decided by the Communist Party and by its agencies, as though the duty to interfere in everything and to take upon itself the responsibilities of others were the consequence of the Party's leading role. True, in practice we see many things which distort the Party's role in this manner. It is therefore all the more necessary to confront the general public with the Leninist model of the Party's activity as a political vanguard of the society. Comrade Mikhail Gorbachev's recent statement on this topic (carried by yesterday's press) also applies to us. This is particularly significant for starting restructuring in practice, since it is one of the key tasks of restructuring; this will enhance the Party's role, instead of diminishing it. Party agencies will have far greater opportunities to resolve society's key problems (for the most part in inter-human relations, cadre policy, and the people's political, cultural, and ideological growth) than to date.

In speaking of the specific tasks which face our propaganda in the present period, Comrade Fojtik recalled that the year 1988 is not only the year in which we will start restructuring the economic mechanism and embark on broad democratization, but also the year of significant historical anniversaries. We will be devoting great attention to all these anniversaries, irrespective of their different significance. This is particularly important at the present time, because the task which we have set ourselves in restructuring—namely, to capture the future at the necessary level, to avoid losing contact with the developments in the world, and to stand in the front ranks of progress—depends on our knowledge of everything that is a determining factor from the past, of everything that was great in this past, and also all features of this past which do not belong in our present times. We have two propaganda goals, which are but a

single goal: to show that the party is basing its current policy on revolutionary continuity, and pursuing the road forward as it is defined by the program of the 17th CPCZ Congress, in linkage with the achievements yielded by the revolutionary transformations of our society; that it is making use of these achievements, instead of casting doubts on them. Respect for the feat of the preceding generations commits us to tolerate nothing that belittles the historical greatness of this feat (which is the firm foundation of the present), while simultaneously continuing it, resolving the problems brought by life, and resolutely overcoming all that has become obsolete.

We must be capable of linking our propaganda and our political-upbringing work with the Party's practical policy and with the specific life of the people, Comrade Jan Fojtik said. What should be our main concern? To make the people understand our policy, to make them identify themselves with it, to make them back it—and not merely by expressing formal agreement on various official occasions, but out of innermost conviction; to make ideological work a truly vital, live component of all Party activity and its core in the endeavor to win the people for active participation in restructuring work and in the accomplishment of our goals; to multiply and develop the creative potential of the Party and the society and make the fullest use of this potential; and to imbue the people with a justified feeling of co-responsibility for the future of our country and for the further development of socialism.

The statewide ideological aktiv meeting then continued with a discussion. [passage omitted reporting on statements by Zdenek Horeni, RUDE PRAVO chief editor; Jan Risko, chairman of the Central Committee of Czechoslovak Journalists' Union; Miroslav Stepan, secretary of CPCZ Prague City Committee; Jan Zelenka, central director of CSSR television; and Milan Matous, Central Committee chairman of the CSSR Socialist Academy) Vladimir Janku, deputy minister-director of the CSSR Government Secretariat for Church Affairs, spoke about our society's frank and constructive relationship with the believers (who are citizens of our country with equal rights) and the churches. At the same time he pointed out the various campaigns and exacerbated attempts to abuse the churches and religion in general for political antisocialist aims. [passage omitted reporting on statements by Jan Novak, chief editor of PRUBOJ, the press organ of the party's North Bohemian Regional Committee; and Frantisek Gebhardt, director of the regional school of advanced politics in Modra]

CPCZ CC Issues Resolution 18 Dec

WA201416 Prague RUDE PRAVO in Czech 22 Dec 87 pp 3-5

[Text] I. Basic Principles

The 17th Congress of the CPCZ formulated the main objectives of the economic and social development up to the year 2000, essential to ensure a new quality of the GNP growth as a prerequisite for satisfying the realistic needs of the people. The Congress emphasized that this task presupposes a transition to an intensive development pattern, while availing itself particularly of a rapid implementation of reserach and devlopmentv and of intensified international division of labor; thus ensuring a high growth in national labor productivity, a substantial reduction of demands on energy, raw and processed materials, as well as a considerable increase in utility and quality of all manufactured products. The Congress also emphasized the need for rectructuring the economic mechanism to support to a maximum the achievement of political, economic and social objectives. These conclusions of the 17th CPCZ Congress were further elaborated at the fourth and fifth meeting of the Central Committee of the CPCZ.

In this respect, the specific development of the Congress' conclusion—under the guidance of the Party—the experiences of the last four decades of socialist construction in our country were analyzed. The conclusions of this analysis prove unequivocally that without a qualitative improvement of production relations by means of an overall restructuring of the economic mechanism, the avenues for the necessary qualitative changes in the development of production forces, putting them in step with the development in the rest of the world and toward the fulfillment of the social goals of our nation, could not be implemented.

The restructuring of the economic mechanism is thus becoming one of the decisive conditions and a prerequisite for the transition of our economy to intensive development. The implementation of this prerequsite and the achievement of the set goals, as well as the very success of the restructuring itself, are conditioned upon a consequent realization of an economic and social policy using the acceleration of the economic and social development together with changes in the quality of growth and with an orientation toward the final macroeconomic results.

A further important feature of this policy is an intensification of the relationship between social and economic development. On one hand, emphasis rests with the direct impact of economic growth on the fulfillment of the national societal program. On the other hand, the gradual realization of this program is bound to stimulate the activity of the workforce which, in turn, is a decisive factor and a condition for intensive economic development.

The transition to a new quality of growth is inseparably connected with an impressive general strengthening of the dynamic economic balance. It is, of course, not possible to make the implementation of the principle of restructuring dependent upon the achievement of the desirable equilibrium first. It is an interrelated process,

during which the gradual restructuring will strengthen the trends toward the dynamic balance of the economy and thus create conditions for their broader application. It is, however, of the essence, to start orienting economic policies in this direction in the preparatory stage.

The implementation of this direction is connected with a determined application of gradualism in all areas of the economy. In the first stage of restructuring, the most urgent task is to remove, or rather to prevent, an excess of capital in economic organizations beyond that of ensuring deliveries for production needs and investments adequate for their size and structure. Concerning the national budget, we are not only concerned with overall balance, but also with laying the foundations for a firm trend toward a realistic structural equilibrium. In the area of popular income and spending, the issue is not only a general balance, but also the satisfying of demand of the various income groups by a specific mix of goods and services; that will help to eliminate the undesirable redistribution of income among the population groups in contradiction to the merit principle. With regard to foreign countries, it matters less to achieve a volume balance of the overall foreign exchange position than to strengthen the qualitative balance of payments and to overcome gradually the deep gap between the demand for foreign currency and its supply in a meaningful increase of the effectiveness of the exchange.

One of the principal means of achieving long-term objectives in the area of the development of production forces is a selective structural policy, focused on the intensification of effective integration of our economy into the international division of labor and based on the achieved or expected results of reserach and development. That requires a concentration on the development of such types of products and services which have the prospect of becoming world standards of productivity of labor and quality production, or at least approaching such standards in a relatively short time. From concept arises the necessity to conceive of the entire economic mechanism in such a way as to ensure its maximum impact on the acceleration of research and development in all phases of the reproduction process and taking advantage of the international division of labor.

The basic orientation of the new system of economic management was expressed in the Principles of Restructuring the Economic Mechanism in the CSSR and in follow-up documents approved by the presidium of the Central Committee of the CPCZ and by the government of CSSR. They have become the basis of this resolution and of the elaboration of the Guidelines for Ensuring the Comprehensive Restructuring of the Economic Mechanism, which are now in the final stages of preparation. The guidelines put into concrete form the changes in individual sectors of the economic mechanism; they will underlie the preparation of the relevant legal provisions. They take into account the present state of preparation of the legislation on state enterprises and on cooperatives, as well as the public debate conducted on those subjects. They are principally geared toward the elaboration of the economic mechanism which will be put into effect in its entirety not later than at the start of the Ninth 5-Year Plan. In some areas they even indicate further prospects of restructuring. They also establish the tasks for the preparatory period of 1988-1990. The restructuring of the economic mechanism must be viewed therefore as a long-term process and as one with open perspectives in many regards.

The comprehensive basic objective of the measures proposed in all those documents is to create conditions for a more effective utilization of the advantages of socialist production relations by opening a large area for creative initiatives of working people. Restructuring is systematic in proceeding from the principle of socialist ownership of means of production. It creates conditions for such application of principles of democratic centralism, with emphasis on broadening socialist democracy, as corresponds to the new tasks and conditions of development.

This requires that meaningful changes be carried out in the standing, tasks, and mutual relations of state agencies and economic organizations. A requirement is to make the authority and responsibility of the individual links of the management chain become uniform in their position in the socialist economy. Related to this is the requirement that every economic and technical question be decided at the management level that will bear the responsibility and have the necessary information and expertise for its solution. Respecting these principles will enable a consequent application of the authority and responsibility of the state in situations where its role cannot be delegated, that is, in solving complex fundamental issues of dynamic and balanced development of the economy and in the creation of demanding and basically uniform economic conditions for the work of organizations charged with coordinating the interests of the work collectives with the interests of the society. The growth of responsibility in the economic organizations will also enhance their authority and independence so that realistic conditions are created for the application of socialist enterprise and for the working people's intiative for accelerated implementation of research and development.

An important advantage of socialism is its use of the principles of planning in the channeling of the overall social and economic development attuned to the needs of the society. Restructuring applies this principle even more effectively in a new way of implementing it to correspond to the present and future requirements of the Czechoslovak economy, as well as to exacting international conditions. If the movement of the economy toward intensification is getting to be in the fundamental interest of society, then the enforcement of this interest calls for a much more consistent use of economic methods in the application of the planning principle than has been the case in preceding historical stages. At present, the exploitation of the interest of work collectives in

their own development and its planned direction in accordance with the interests of the community is becoming an important method of pushing the priority of society's goals as a whole. Under the new conditions, a comprehensive and uniform state plan will be the basis for the control of the economy by the government; it will also be the point of departure for the economic activities of organizations.

The new concept of the economic mechanism is anchored in a deeper awareness of the determinism of socialist production of goods and its impact on the present stage of the development of socialism. Therefore, the role of unbiased valuation instruments in management and planning of the economy increases singnificantly.

Forming and developing value criteria is also inseparably linked with the entire process of planning and routine guiding of the development of economy. In this connection, there will simultaneously be created conditions for a much more effective functioning of the socialist market and for taking advantage of economic competition within the national economy as well as in the framework of CEMA member countries.

The restructuring of the economic mechanism touches upon the entire economy. Consequently, the whole system of state plan norms and value criteria will, in principle, be applied uniformly to individual branches and organizations. The specific character of some public activities and economic sectors (mining, transports and communications, domestic trade, public utilities and other services, agriculture, forest and water management, etc.) will be expressed primarily by differentiation in the measure of implementation of specific tasks and limits, as well as by the use of systemic special purpose grants aimed at creating basically identical economic conditions. Norms of the plan and exceptionally even levies for the state budget will be differentiated only when absolutely necessary. Care must be taken that such specific adjustments do not negatively affect the criteria of the overall economic environment and the equality of conditions for carrying out the same activity in the various sectors and branches.

The qualitatively higher level of the use of value instruments and criteria will also enable the consistent application of the basic principle of socialist remuneration based on the work results. Work is viewed with special emphasis as the source of values for satisfying the growing needs of the community and of all its social strata. This concept makes possible the stimulation of socialist entrepreneurship, the willingness to take risks, and the increase in the level of responsibility. The fact that a substantial part of the income of the working people will depend on the final results of the management of individual organizations, will require an important increase of the workers' and employees' share in the management, development of their work initiative, and a better use of activities and initiatives of the Revolutionary Trade Union Movement.

Restructuring of the economic mechanism represents not only one of the essential prerequisites for achieving the objectives of the party's economic and social policy, it also is a condition of a new qualitative level in the process of broadening and deepening socialist democracy. Restructuring helps this process significantly, not only by providing room for the application of the principle of socialist autonomy in the management of economic organizations, but also by introducing a new concept of the role of the state and the authority and responsibility of National Committees.

Restructuring of the economic mechanism in Czechoslovakia reflects the identical basic approach to the development of the economic mechanism in the USSR. This creates conditions for an even more consistent assertion of Czechoslovakia's active role and initiatives in the already begun process of restructuring the international integration mechanism of CEMA member countries, as well as for the gradual development of higher forms of cooperation between Czechoslovak organizations and those of the USSR and other CEMA countries.

II. The New Role of Government Agencies and Economic Organizations

1. The Changed Role of the Center

The role of the center has to be not only preserved, but also strengthened in the control of fundamental strategic programatic tasks and safeguarding the balance and proportional nature of socioeconomic development in harmony with the interests and needs of society, while fully recognizing the competence of economic organizations in matters entrusted to them by law.

All this, however, requires a more rational organization of the central agencies and the varied government committees and commissions that frequently substitute bodies responsible under law. It is further essential to reduce considerably the number of management levels by abolishing links which have become the source of excessive administrative interference with the economic process and of burgeoning administration; they are the products of the practiced excessive centralization and management by decree. In this context, it is necessary to mention the problems of significant limitations in all activities resulting from excessive regulations and various, often unjustified, reports and statistics. The basis for attacking the structural changes in the center must also be a reduction of state administration offices, in addition to the simplification and abolition of useless links.

The new mechanism requires a reformulation of the task of central management and its agencies, which is different from the present state.

It involves primarily a shift in the focus of the role of the center toward the general management of a systemic nature, based mainly on the principle of unity of economic criteria and of long-range norms. It also means a move into the area of long-term program strategy in determining societal socioeconomic objectives of and basic methods for achieving them with a radical limitation of operational, short-range, administrative, and directive interference in the activity of economic organizations and National Committees.

From the preceding flow, the following basic functions in the area of research and development and social and economic development:

— preparation of a uniform and comprehensive government plan, which would safeguard the strategic objectives of socioeconomic development, optimize material and value balances aimed at achieving maximum efficiency and balanced development; further, in the establishment of basic parameters for the activity of individual government agencies. In that context, the norms, tasks, and limits of the state plan with respect to areas reserved for enterprises will correspond in form and content with the approved Principles of Restructuring;

— the drafting of the future development of the economic mechanism, of its purposeful, uninterrupted improvement and the creation of conditions for the development of socialist entrepreneurship;

— the current guidance for the development of the economy, of its dynamics, equilibrium, and proportionality, as well as the creation and use of reserves in accordance with the objectives and intentions of the government plan.

The aforementioned basic functions of central management refer to federal as well as republic agencies within the framework of the division of their respective competences.

Another role of the federal agencies is to ensure the uniform management of the Czechoslovak economy. This is on the basis of the actions of the uniform economic and social mechanism and the safeguarding of the basic proportional development of both republics.

An important function of the republic central agencies is participation in the creation and implementation of government policy, the comprehensive safeguarding of the territorial proportionality within the republics, of the necessary infrastructure, as well as the uniform guidance of the activity of National Committees, while substantially increasing their authority and responsibility for the development of the territory under their control.

A significant shift of the activity of central agencies into the area of long-range development strategy does not not imply their complete release from operational management. Although its scope must be substantially restricted, it is primarily its character which has to be fundamentally modified. What matters is that central operational management be focused especially on a uniform, routine guidance of economic development. In this framework, it is necessary to systematically analyze its development, react flexibly to the changing internal and external economic conditions and to coordinate all tools of planned management toward assuring the objectives, intentions, and dimensions of the five year plans.

The new range of activities of the center at both federal and republic levels will also be linked with the realization of the whole process of restructuring the economic mechanism. The primary task is to ensure a uniform, realistic, and timely coordination of the work on revision of all existing legal provisions, as well as on the publication of new ones, from the view of their consistent application in the sense of the adopted Principles of Restructuring and of this Resolution. A part of this is also the guidance in the process of rationalizing organizational structures in the enterprise economic sphere and streamlining the state administration, including the determination of jurisdiction of, and relations between, its individual agencies. It is further necessary to implement the state influence in uniform formation of economic, budgetary, and contributory organizations, to establish uniform registries in the formation or dissolution of organizations and on their entitlement to function (statutes), and to set up protective measures against possible pressures on behalf of sectional or local interests.

Regional planning agencies must become co-creators of a uniform and comprehensive government plan in a new context elaborated by the Government Planning Commission. Together with the latter there will have to be guaranteed basic material market relations and the dimensions of the plan, while developing economic instruments as its inseparable part. Accordingly, it will inrease the role of the Ministries of Finance, including their subordinate agencies of fiscal administration, while actively asserting the interests of the state financial interests. This will also strenghten the central state bank in steering the currency development.

Restructuring the economic mechanism presupposes important changes in the concept of the activity of the branch offices of the governments. The strengthening of horizontal relations between economic organizations, in contrast to the currently one-sided emphasis on the vertical management line, calls for the assertion of uniform economic rules and instruments; the position and function of branch offices must be adjusted to such criteria. Their economic and regional planning character has to be strengthened and applied in the relations between the center and the organizations with emphasis on the common and uniform interests of the state.

It will also be necessary to conceive of the position, tasks, functions and structures of the governments of the national republics, in accordance with the federal state structure of the CSSR and its principles. This will have to be done in the full context of the Principles of Restructuring the Economic Mechanism, with optimal integration of the national economies into a uniform Czechoslovak economy in conjunction with the concept of a new determination of the central management's functions and with some changes in the structure of the federal government's agencies.

The restructuring of the economic mechanism, based on a conceptual central management of the economy and on the application of fundamentally uniform rules and tools of management, will effectively strengthen the uniform management of the entire Czechoslovak economy. It will also intensify the role of the republic governments in fulfilling their tasks in the fields of economic, educational, cultural, and social development of the republics and in drafting economic measures by which they assure the economic policy of the country in the framework of their respective jurisdiction.

With regard to National Committees, changes in their position, tasks and methods must create conditions for a broad extension of socialist democracy, for an increase of the population's participation in the administration and management affairs in every corner of our country. The restructuring of the economic mechanism in the local economy (particularly with respect to local industrial production, cooperatives and services) will create conditions for the increase of the responsibility of National Committees for the living standards of the population in the given locality, district, or kraj.

This calls for the creation of a corresponding revenue base of the National Committees in order to finance activities that will be entrusted to them. The majority of the revenues were being channelled into the budgets of the federation or of the republics. Complicated redestributing processes then made them available to the respective levels (by applying a number of individual and subjective criteria mostly without regard for the effectiveness and usefulness of this or that activity). The position of the National Committees will henceforth be anchored in the principle of balanced revenues and expenditures, without the undesirable redistribution process; that will in turn change relations between the population and the National Committees in communities, cities, okres, and krajs. Consequently, a budgetary discussion must also bring about a fundamental debate on the way in which resources will be spent under full application of socialist democracy and a public control of expenditures (including those on the National Committee's own administrative staff). This means in principle that National Committees will administer their resources independently (in justified instances with the benefit of supplementary grants from state budgets), will see to their growth, and also project the development of the respective territorial units. All that will create conditions for a more effective assertion of the territorial aspect in the planning stage. It will also increase the comprehensive nature of plans for economic and social development in krajs, regions, and large urban agglomerations.

2. Changes in the Status of Commercial Organizations

Commercial organizations are emerging as the basic element of the national economy. They are state enterprises based on economic accountability [khozraschet] (e.g., state production and commercial enterprises, state production associations, state kombinats etc.), agricultural cooperatives, production, consumers, and housing cooperatives, insurance companies and possibly other organizations engaged in production activities. Banks, savings institutions and enterprises with foreign participation (shareholding companies and joint ventures), the activities of which are managed under special rules, also count among commercial organizations. Apart from them, other organizations and institutions in the national economy are also active. The character of these is not entrepreneurial (budget-supported and self-supporting organizations and others). All these organizations will manage the resources entrusted to them according to rules that correspond with the character of their role in society; in the case of self-supporting and budget-supported organizations, khozraschet rules, or their elements, will be applied. This will result in a considerable simplification of their management.

Commercial organizations will be managed by central government offices or by territorial agencies of the state administration directly, without any intermediary sectorial or territorial links, that is, according to the principle of two-tier management. The structure of management of agricultural production will be streamlined with due regard for its specific nature. Commercial organizations will be formed in such a way as to permit the principle of economic, technical, and technological linkage of their structural units to be consistently applied to their integration. When considering the independence of enterprises, there will be taken into account in the first place the principle of specialization of production programs that serve a larger sector of the population, as well as the principle of increasing competition, especially in branches involved in the satisfaction of the population's immediate needs. Thus, an efficient system comprising both large economic organizations that secure the main production programs, as well as medium and small enterprises capable of assuring a flexible response to the fast-changing requirements of domestic and foreign markets must be gradually created.

The structural unit of the state enterprise with the character of a concern or of an association may be called a concern enterprise or an associated enterprise, an enterprise for foreign commercial activity and so on; but it will not have the status of a state enterprise and will not have full legal status. The scope of competence of

such structural units (for example, to assume commercial engagements, to dispose with the earned part of assets of the state enterprise, to hold bank accounts, to create funds) will be determined under the authority of the management of the state enterprise. State enterprises of the above-cited character will be established only on the basis of organically interconnected programs of production and of scientific research, or with regard to their foreign trade activities, but not by mechanically applying the principle of branch organization. The CSSR government will issue rules for an efficient organization of the sector of enterprises.

The general criterion for the creation of organizational structures must be the maximum of effective satisfaction of the needs of society and the capability of the organization to adhere to a full cost accounting system and to self-financing.

The commercial organizations will be direct recipients of norms, tasks, and limits prescribed by the government plan and immediate subjects of relationships with the state budgets and budgets of the National Committees. In their capacity as independent legal and economic subjects, the commercial organizations will carry full legal and financial responsibility for their activity.

Commercial organizations are set up by the relevant state agency or owner of the resources (cooperative, public organization). The founder proposes candidates for the function of director. They are selected, as a rule, in a competition and appointed after an election.

The societal mission of commercial organizations is to safeguard the needs of society, to administer the assets entrusted to them, to expand them, and to assure the social development of working collectives in proportion to the economic results of their activities.

Commercial organizations are guided by the principle of full economic accountability [khozraschet] and cover their expenditures from their income. In order to safeguard their own needs as well as those of the entire society, they must give priority to their obligation to make payments to the state budgets and to budgets of the National Committees or other agencies, and to the creation of obligatory funds.

Internal subdivision units and elements of commercial organizations will manage their affairs in harmony with their competence and responsibility as determined by the commercial organization according to the principle of the organization (enterprise) subdivision's economic accountability. The commercial organization will be entrusted with independent decision-making about the organization, methods, and instruments of internal subdivision management.

The commercial organization sets up independently its economic plan as the basic instrument of management; this plan must respect the binding norms, tasks, and limits set by the government plan and by binding economic agreements.

Commercial organizations are authorized to make independent decisions on the structure of their production within the framework of their production program as established in the statute. In order to achieve a comprehensive and effective fulfillment of the objective of its business, the organization is entitled to develop all appurtenant research, development, projection, commercial, and other activities. A commercial organization may, in the interest of a desirable diversification of the enterprise, exceed the set objectives of its activity, provided it meets the obligations implied in the government plan.

Commercial organizations may take independent decisions as to the purchase of goods, work, or services, as well as to the sales and transport of merchandise. Within the limits of the rules set by the law, they may engage in business activities abroad. They may take independent action on direct research and development, productive, cooperative, and business contacts with the commercial organizations of other socialist countries.

Commercial organizations manage and organize independently their own staff development. They determine particularly the total number of employees, the mode of their recruitment, the structure and the development of their qualification, their work assignments, all that in accordance with salary regulations. Within the framework of the available wage resources, they make decisions on above-tariff wage elements.

Commercial organizations may combine their resources and activities on a voluntary basis toward an efficient fulfillment of their tasks; this could be done regardless of the branch, sector, or territoty to which they belong. They may also combine resources with National Committees. Combining activities and resources with foreign partners will be guided by special regulations.

Combining resources and activities does not qualify the legal status of commercial organizations, nor their direct relationship to the state plan, state budgets, and budgets of National Committees. No strict rules will exist in regard to the organizational forms of combining; the respective partners will choose them according to their common needs.

Commercial organizations must not attempt to achieve, through combining, a monopoly in a given enterprise branch. The state has a legal obligation to control combining from this vantage point and to take corresponding measures.

The director or a managing board is fully responsible for the management of all the activities of the organization with the exception of such instances when his decision presupposes the approval of the founder, of an agent of the management of a socialist economic organization, or when a management decision falls directly under the authority of such a body. The position of the Revolutionary Trade Union Movement must be respected in such cases.

Socialist self-management guarantees the participation of the work collective in deciding the fundamental questions of the economic and social development of an organization. Socialist self-management (an assembly of the work collective or of delegates and council) may be set up under the guidance of the relevant organization of the CPCZ and with the active participation of the Revolutionary Trade Unions and social organizations.

III. Main Changes in the Management System

1. The Plan

A qualitative change is taking place in the content of the government plan. A transition is taking place from the so far inadequately interrelated stipulations of the top economic plans (that is, the government plan, the science and technology plan, the currency plan, the budget projection, and the price development plan) to a comprehensive concept of a government plan that would integrate the key parameters of all those plans. The purpose of this change — together with a consistent orientation of planning toward an intensive pattern of development — is twofold: first, to make sure that the intents and functions of research and development, as well as the conditions for its acceleration, be consequently projected into all parts of the plan; second, to activate the role of value criteria in the management of economy and, by the same token, to subordinate the shaping of the concrete development of such criteria to the objectives of economic and social policy.

Another basic change in the contents of the plan is also connected with the new role of value criteria that will, in the course of the planning process, have a much more important impact on the creation of material dimensions than has so far been the case. In addition to the practice of planning on the basis of comparable prices (which will retain its importance for the projection of the development of material dimensions), it will also be elaborated in the planning of sliding prices, which is essential for relating material and value ratios, in order to safeguard a balanced development of the economy and to assess the effectiveness of the proposed projects on the basis of a comparison between domestic and foreign production costs.

A fundamental change occurs in the mode of applying the directive function of the plan with regard to commercial organizations. At present, this is attained by publishing an extensive list of volumes and partial indices and of individual norms. Such specifications, arrived at so far by the individual links in the management chain, lead to an undesirable overlapping and leveling among individual organizations. They are presently evaluated mainly in a one-sided way according to their fulfillment of the plan indices. Their interest and material stimulation are therefore also oriented in that direction.

The principles of restructuring the economic mechanism require a transition to mainly economic methods in applying the directing role of the plan by means of uniform levies and other instruments of the policies of financing, prices, currency, credit and wages, as well as through long-term economic norms. The rates of such norms will also be either uniform or differentiated according to centrally set criteria so that their differentiation will not depend on specifications submitted by management.

Long-term norms will regulate the use of resources created by commercial organizations in order to secure effective protection against the danger of preferential satisfaction of short-term interests to the detriment of the long-term ones. This is particularly important in the early stages of restructuring (such function is mainly exercized by norms of minimum contributions from profits into the development funds, as well as by norms concerning the minimum balance in the reserve fund). In order to enhance the social development of work collectives, a minimum contribution to the cultural fund and to social needs will be specified.

This basic change will bring about an orientation of material stimulation in commercial organizations in the direction of effectively achieved results rather than in the direction of fulfilling the plan indices. This will also stimulate the interest of organizations in adopting and realizing progressive plans, reporting to the center truthfully on possibilities of future development, doing away with undesirable overlapping procedures, and allocating societal resources in the most effective direction of development.

To guarantee the implementation of selected priority aims, particularly those contained in the government development plans and research and development tasks, in the international division of labor, in defense, security and creation of federal material reserves, as well as with regard to a limited group of unprofitable products,in all these respects the tasks of the plan will be spelled out specifically. In instances where the customers are governmental agencies, such specific tasks will have the form of government orders. The extent of specific tasks will be considerably cut as early as in the Ninth 5-Year Plan. The intent clearly will not be, particularly in the processing and construction industries, to weaken by specific tasks the stimulation of their entrepreneurial spirit and their resolve to adapt flexibly to the changing demands of foreign markets and domestic consumers. In a longer perspective, the setting of specific tasks will be

focused on safeguarding development programs, on government orders and on such selected tasks in the international division of labor as will continue to be accepted by the state.

In addition, until a marked progress in the dynamic equilibrium of the economy is reached, the limits of certain deficit resources will be determined selectively (particularly of fuel, energy, raw materials, and of foreign currency for special purposes, as well as in regard to organizations to which elements of self-financing in foreign currency cannot be applied). There will also be widely developed the active role of the market, regulated in a planned way, in matters of relations between suppliers and consumers, with emphasis on the strengthening of legal and economic position of the consumer and on the importance of economic contracts.

Another important change rests in the fact that, in contrast with the present situation, planning activities will be much more intensely oriented to perspective planning, particularly by strengthening the decisive role of the long-range outlook and its linkage with the guidelines for the next 5-year plan. The identifying point of departure will be the comprehensive prognosis of the research and development, economic and social development for a 20-year period, as elaborated under the supervision of the Czechoslovak Academy of Sciences.

The initial and fundamental planning document will be a long-range 10-year projection (in selected areas 15 years), which will be periodically reviewed in 5-year cycles with its range extended. The long-range outlook, streamlined with research and development, the economic and social development, will explore the possible avenues of scientific and technological development and the integration into the international division of labor so as to allow for maximum results in the quality of economic growth, and thus also in the creation of resources for the satisfaction of the needs of society. At the cumulative outcome of the work on the long-range outlook, there will emerge basic trends of the economic and social development of Czechoslovakia, which will serve as documentation for the Congress of the CPCZ and for the top offices of the state. The long-range outlook will also contain decisions on a small number of state development programs that will define the principal national priorities for the future and take into account regional planning relations as well as all the stages of the production process. Together with the long-range outlook, guidelines for the state plan for the next 5-year period will be elaborated and approved.

Another important change is the transition from today's dominant directing function of the yearly plan to the priority role of the 5-year plan. In this connection, the interest and responsibility of commercial organizations will be focused on long-term economic results. In their mutual interaction, all these changes will make it possible to overcome, or at least weaken, elements of particularism during the planning stage and will instead strengthen elements of continuity and contribute to the integration of 5-year and annual plans. Restructuring the economic mechanism means to promote a centrally coordinated system of continuing regulation of the economy, which is based on an effective and flexible use of all instruments of the plan and the economic policy. The purpose of this regulation is to link the objectives of central management and of the state plan with the routine entrepreneurial activity of the independent organizations.

Routine regulation of the development of the economy will be carried out by means of a coordinated and flexible use of all instruments of management, particularly of those included in the state plan or forming a part of the economic policy (specific tasks, limits, prices, interest, currency rates, levies, taxes, norms and other instruments of fiscal and credit policy, employment policy, etc.). The 5-year plan will contain rules for the adjustment of these instruments in the course of its fulfillment, as well as a mandate for the government to apply such rules to the process of routine regulation of the economy.

In instances of divergences that will concern only a restricted group of organizations, sectors or individual branches, priority use will be made of the following: reserves of the respective organizations, price changes and terms of their fixing, grants, specific tasks and limits of the state plan, instruments of customs and foreign trade policy. With divergences of a more general character, and in instances of fundamental modification of economic conditions, particularly in foreign markets, priority use will be made of changes in regulatory levies, interest rates and terms for extending credit and grants, changes in investment terms, exchange rates and, in more important instances, also of price levels. Reserves of the center will be used; only in the most serious cases are there contemplated uniform modifications of rates of other levies, taxes, and norms. In cases of particularly serious trouble, the following temporary measure could be taken: blockage of the state budget and organizations' assets, price and wage freezes, and, wherever necessary, other specific targets and limits could be determined (in the material and financial fields, including foreign currency resources). A regional regulation of employment and relocation of the labor force could be introduced as well.

A relative stability of the system of economic norms is of the essence for the preservation of the confidence of organizations and of the working people; in order to preserve it, a system of available financial, currency, and in special cases material reserves will be created at the center level. Concurrently, organizations will be stimulated to create at their level financial and currency reserves in amounts adequate for bridging bust and boom cycles and other similar swings.

2. Removing the Bias From Value Criteria and Their Role in the Economy

An important condition of an effective state plan, rational and innovative behavior by organizations, work teams, and individuals, while fully satisfying the interests and needs of society, is an active and unbiased supply and demand, value criteria, primarily in pricing, foreign currency rates, credit, finances (especially taxes and levies), and wages.

In contrast with the hitherto passive adjustment of value criteria to the planned indices of natural volume and quantities, it is essential to assert their active role in the creation and realization of the plan, to recognizing their objectivity and function while ensuring the efficiency and balance of the economic development. This requires, but also enables, them to be freed from the past deformations and to gradually improve their quality by an efficient central management with an active role of the external economic relations and competition among economic organizations.

The price must be the most reliable expression of the equation between the necessary labor costs with respect to the utility of production.

Only such prices, together with realistic rates of currency and under the terms of a full economic accountability, may force the lowering of production costs, exercise pressure on the adjustment of our production to meet world standards, and optimize its structure, foreign exchange, and consumption.

To arrive at such prices is a long-term, very ambitious undertaking, because present prices are not based on socially essential costs, but rather on actual costs incurred from inefficient investment. By the same token, costs of the individual production factors are distorted. In particular, the replacement costs of labor and environmental protection have been greatly underestimated. Additionally, individual price ranges are unrelated with the result that prices often distort consumer demand.

The basis for unbiased wholesale and purchasing prices is a comprehensive restructuring as of January 1, 1989; that will take place in all sectors of the national economy with the exception of foreign trade, transportation, communications and services, including public catering. The new prices should express more objectively the genuine average costs of Czechoslovak production with respect to their planned reductions in the current 5-year plan. The valuation of production factors should approximate the costs of their reproduction, including the part that will be financed from national resources by means of uniform criteria for levies.

The wholesale prices of fuel and raw materials will be brought up to date. The costs of the new wholesale prices will reflect a 50-percent markup based on the volume of wages paid. That corresponds more correctly with the general replacement costs of labor. In calculating profits, a general principle of 4.5 percent profit will be used, based on the production capital at purchase prices. In restructuring of wholesale and purchasing prices, their overall current levels should, in principle, not be exceeded. In conjunction with this, no retail price changes are contemplated. The consequences of wholesale price restructuring will be reflected in the turnover tax and by socially justified grants from state budgets. The government will continue to systematically regulate the pricing policy.

The restructuring of wholesale and purchasing prices, however, is only a first step toward achieving order in the price system. That is why a program for a current updating of prices is being prepared so that their actual level, in the spirit of the Principles of Restructuring, better reflect the real social costs including their utility value of the products and services to consumers (both domestic and foreign).

Of key importance for the realization and implementation of this program is ensuring a linkage of domestic and foreign prices that will bring about the creation of value relations in the national economy corresponding to international values. The linkage of domestic prices to foreign prices cannot, of course, be mechanical. In the first stage of implementing the comprehensive restructuring of the economic mechanism—when the choice of the supplier from the domestic or foreign market will be restricted—emphasis will be placed on a gradual, but decisive, projection of international values into domestic prices by means of the pricing policy of central agencies. The basic principle of this policy will be that the real costs of a potential substitution import into CSSR represent a long-range view, the upper limits in the fixing of the domestic wholesale price. With regard to commodities which would become subject to active specialization in CSSR, the achieved export price will also be taken into account. A timetable will be set for central policy with the goal of reaching the necessary results in a realistic, but as short as possible, time period.

Such price policy will also help implement the overall economic policy aimed at the reinforcing the equilibrium and at selective structural changes (including cutting back inefficient production). Thus the balance between supply and demand will be gradually restored and conditions for purchasers and consumers to choose either domestic or foreign sources would be expanded.

In connection with the progress and results of this process, the range of effect of contractual prices established by agreements between suppliers and consumers on the basis of centrally provided regulations will be gradually expanded.

Considerably increased will be the role of foreign currency policy with the objective of reaching a uniform, flexible, and realistic exchange rate for the crown ("the price of money") as a prerequisite for full functional openness in the Czechoslovak economy also with regard to the external economic development and to a gradual transition to full convertibility. From that vantage point,

the currency policy should help to stabilize the buying power of the crown, to create exacting and uniform conditions for comparison of domestic and foreign prices, to make economic calculations objective, and to protect our economy from the inflationary trends abroad.

In the context of a comprehensive restructuring of wholesale and purchasing prices, the first step to be introduced will be a one-tier exchange rate with the non-socialist countries, with the transferable ruble, and with the currencies of other socialist states, fixed separately for commercial and non-commercial payments. These rates will be flexibly adjusted mainly according to the development of relations between foreign and domestic price levels; they will be coordinated (for commercial and non-commercial payments) to bring the wholesale and retail prices closer together.

The role of credit policy will increase considerably; it must ensure an efficient and flexible allocation of resources according to the principle of efficiency and return. The regulation of the credit creation (that is, growth in credits) should provide for—particularly in the immediate period—a relatively slower growth of credit with respect to produced material values (national income). Only then will it be possible to balance the actual financial resources of the organizations, the state, and the population. This in turn will ensure a planned equilibrium in the Czechoslovak economy and the stabilization of the currency's buying power and the population's income. The present situation of excessive credit creation and its irrational use will be overcome. The regulation of credit creation will be separated from routine credit activities as an independent function of the Central Bank.

The granting of credits will, consequently, be operated according to the efficiency criteria and in accordance with the principles of economic accountability. Credits will be allowed only for projects of proven efficiency and return; no credits will be available to cover longer term shortcomings in the resources of economic organizations.

Levies and taxes will not only secure the necessary assets for national and regional needs, they must also bring pressure for efficiency and stimulate the organizations to continued the improvements. Consequently, the basis of payments to the state must be primarily differentiated levies and taxes, unlike the presently used income-based taxes and levies, which distort the allocation process and create unequal conditions for organization management. Differentiated levies must be based on the objective evaluation of production factors because they represent the centrally financed part of social costs for their replacement and, together with the part financed by the enterprise, this will enable them to be projected into the economic calculation in a comprehensive and uniform manner.

In the first phase with respect to the comprehensive restructuring of wholesale prices, these differentiated taxes will be implemented as levies on wages and production assets, and further as agriculture taxes and fines for polluting the environment. In the following stages, payments for consumption and damage to environmental resources (soil, water, air) will be developed to to cover the costs of their protection and restoration. Differentiated levies will be complemented by revenue (tax) from profit, which will be either linear or progressive, enabling a basic regulation of revenues from industry and an adequate share of the government budget based on them. For a suplementary pressure in the use of enterprise assets, regulatory levies could be applied with the objective of doing away with such uses of revenue as increasing wages to the detriment of economic development, social needs, or essential reserves. Penalties for breaches of regulations could also be levied.

The financing of the economic organizations' own activities will be considerably facilitated by a new concept of the fund system. This will enable them to determine, basically independently, the use of their liquid resources (profits). In the first phase, this independence will be partly restricted by the mandatory minimum payment into some funds (based on uniform standards for payments into the development fund, cultural and social services fund, and rules for creation of contingency funds), so that the organizations could systematically ensure their long-range economic and social development and face the consequences of possible fluctuations in their results. The use of the residual parts of the profit (including payments into the special compensation fund) will remain fully under the jurisdiction of the economic organization. Similarly, it will be within their jurisdiction to use depreciation, with the exception of cases when the state will decide to cut back certain programs or to temporarily use a part of the depreciation to compensate for different initial conditions of obtaining production assets.

Economic organizations will, in the interest of supplying the needs of society and their own long-term development, make use of the profit in a mandated order with a priority of paying levies and taxes into the government budget. Profit redistribution between individual organizations will not be tolerated. In future developments, according to the conditions, economic organizations should determine the use of their disposable profit in total independence, with regulatory levies as the main guiding instrument of such determination.

One of the most sensitive questions, touching on the most direct interests of organizations, work collectives, and individuals, is the system of personal economic incentives—the formation of wage funds and their just distribution.

The most substantial change is the transition from the dependence of wages on volume indicators (mainly adjusted value added and only in part from profits) to

their dependence on resources created as a result of their own labor and management. That's why it is necessary to markedly strengthen the interest of both collectives and individuals in the final results, that is disposable profits. In that respect, instead of separately specified norms for individual organizations, in the future uniform, long-range norms on the national or branch basis will be applied.

Only one of two types of wage regulations may be used: either a normative dependence on the total accrual based on net production, or a regulation of the volume of wage costs by a system of tariffs. In both instances, the major part of wages that primarily require a uniform evaluation of quality standards and working conditions is included in the costs, and the residual part is covered from retained profits.

A basic question is how to establish the ratio between tariff wages, that is, guaranteed wages (including wage tariffs and supplements based on tariffs) and wages dependent on economic results—the retained earnings. From a long-range perspective, it is justifiable and correct that all incentive elements of wages (bonuses and rewards of all kinds and participation in economic results) be directly linked with retained earnings. But an immediate transition to this principle is fraught with risks.

By 1990, the incentive part of wages covered from the retained earnings will be increased from an average of 3 percent to a minimum of 7 to 10 percent; it will continue to grow in the course of the Ninth 5-Year Plan. (There will be a differentiation of the incentive part in the retained earnings according to individual categories of workers and employees). Prosperous organizations will be allowed to surpass that limit, while for organizations with bad management there will be no guarantee of this part of wages. Its actual amount will thus be directly connected with the final results of work and management consistent with basic wage guarantees.

During the further development, as conditions are created by greater economic equilibrium and by development of the new economic mechanism, efforts will be made to regulate the development of wages payable without dependence on the volume indicator, that is, without the accrual type of regulation.

In the field of remuneration of employees, the present leveling trends and the limited concept of merit focused only on the amount and quality of work will be overcome. A consequent application of the merit principle in the larger sense will prevail. This, in turn, will emphasize the final results of work.

Economic organizations will be fully responsible for an effective use of incentive wage patterns. There will be newly regulated terms for the pay incentive of the managerial commercial staff so that they reflect a greater dependence of their salaries on retained earnings and on long-term results of management. There will be strict limitation in the scope of the before now centrally fixed wage preferences and, conversely, organizations will be allowed to pay stabilization bonuses from their own funds. The tariff system will be gradually improved with the objective of establishing a solid foundation of a balanced wage estimate for comparable types of activity, with the high level of independence of the organizations fully respected.

The restructuring of the economic mechanism must ensure an effective and creative application by the working people and basically make possible free movement that is limited only by economic conditions.

The change in the personnel and social activity of the organizations, apart from the generally applicable legal provisions and the limitation on sources of financing and division of labor between organizations and National Committees, will, in the future, be within the jurisdiction of the organizations. A major simplification of administrative work will thus ensue. The central planning and methodical guidance of personnel and social activities will be abolished, their financing simplified, the distribution of work between regional offices and organizations will become more precisely defined, and a rational data system on social and economic phenomena will be established.

3. Research and Development

The concept of the economic mechanism is that it should exercise a maximum effect on the acceleration of research and development. It should also exercise a maximum effect on the innovative actions that are inseparable parts of the replacement process and all its components. Therefore, it cannot be in the future consistently reduced to guidance on research and development alone; the yardstick of its effectiveness should primarily be the overall standards of technology and the cost-efficiency of the national economy.

This means primarily that technological development, together with the activitity and creativity of the people, determines the productivity of labor, the consumption of raw and processed materials, and the quality of product utility and its reliability. All that is predicated by the technological levels of capital assets and technologies used.

The new mechanism is based on this viewpoint. However, this also requires that this concept find its expression in the very structure and systemic concept of the long-range outlook. Our base of research and development can no longer be considered the only source of our technological development. We must also consider the entire creative technological potential of our national economy, the inclusion of other sources of scientific and technological development, such as equipment efficiency, the rate and quality of inclusion in the international division of labor (particularly in the area of coopera..on

in research and development), the input of new experiences, the use of information on research and development, and the purchase of licenses. Also considered must be the application of research and development in capital construction, its parameters and structure, with its share in modernization of the production base. The requirement here is top-of-the-line equipment and facility standards, whether domestic or from imports. The future import and licensing policies for capital construction must be oriented toward this objective, for example.

The relationship between research and development and social and economic development finds its expression in the new concept of the comprehensive plan. Its base is the research and development and its economic effects are the decisive source of the national income growth and of the quality of its formation, as well as a yardstick of the effectiveness of research and development. The relation between research and development and the overall socioeconomic development cannot be reduced in the state plan strictly to the research and development plan and its outputs. It must be based in the potential of a broadly programmatic exploitation of all accumulated knowledge and of its maximal implementation in the structure and technological standard of production and products.

The restructuring of the economic mechanism, as well as the concept of the plan as the unity of its material and value aspects, require primarily a continuous development of economic tools for systematic research and development support.

4. Investment Policy

The restructuring of the economic mechanism calls for important changes in investment policy. They proceed primarily from the recognition that the decisive part of capital construction will be fully financed from the resources of the enterprise. All activities aimed at modernizing or rebuilding, up to and including the plant expansion will be financed from the organizations' development funds.

Only projects with a societal significance and scope exceeding the resources and possibilities of organizations will be included in the government plan. But even their incorporation into the plan does not entitle them automatically to financial state support. Even in such instances, possibilities of proportional participation in commercial organizations will be explored and ways and means of combining their resources with those of the state will be sought.

It will be necessary to markedly reduce the volume of regulations on capital investment, to simplify amendments, as well as design stages of construction projects and, with respect to price policies, to closely relate the project costs to the economic and technical solution of the construction. Effective incentives should be found for investors and suppliers to cut construction delays and achieve advanced technical parameters, as well as to make their own capital investments cost efficient. The role of the state as a general investor in the fields of housing, civic, that is, health, cultural and school construction, will be expanded.

5. External Economic Relations

The planning and guidance of external economic relations in the first stage of the implementation of comprehensive restructuring will have to recognize certain realities restricting the application of strictly economic methods and generally valid tools. In relations with socialist countries, it will be, in the first place, the restructuring of the integration mechanism of CEMA. There will primarily be changes in the forms of acceptance and implementation of obligations resulting from the international division of labor and from the broadening of the area for the use of value instruments and direct relations between economic organizations. The high share of imports of fuel and raw materials from the USSR will be especially felt here. In relation to nonsocialist countries, maintaining foreign currency balances under conditions of the still-existing deep differences between supply and demand of foreign currency and its remedies will have high priority. Even in such a situation, however, the restructuring of the economic mechanism lays the groundwork for changes, aiming at securing a gradual transition away from the present mode of mainly volume-based planning of foreign trade and from the practice of individual redistribution of foreign currency assets towards the broader application of principles of self-financing in enterprises in matters of foreign currency, based on normative relations. The point of departure here is the standard dependence of foreign currency payments for imports on the earning of foreign currency from exports, in combination with minimum foreign currency levies into the central fund but maximum subsidies from that fund. For the formation of enterprise foreign currency fund norms differentiated according to centrally valid regulations will be established. In contrast with the initial position, such rules will favor organizations with efficient exports and a relatively high active balance.

In conjunction with the development of direct commercial relations between organizations of CEMA members countries, conditions will be created to enable their commercial organizations to enter independently on the Czechoslovak market as direct suppliers, consumers, investors, etc. The overall strengthening of our participation in international cooperation and particularly in socialist economic integration will proceed from a prointegrationist orientation and from the openness of Czechoslovak economy, supported by the entire economic mechanism and especially by its value criteria.

6. The Agriculture and Food Complex

The principles and rules of the new economic mechanism will also find a uniform application in the agriculture and food complex. The technology of the highly developed agricultural production increasingly approximates the character of industrial production; the scope of processing activities is growing related to basic agricultural production, while the capacities of agricultural organizations are also being used for non-agricultural activities. Under the terms of restructuring the economic mechanism, the collective (JZD) and state farms should, in principle, be administered by the same rules as other economic organizations. By the same token, specific instruments should be used in agriculture, commensurate with the character of working the land under differentiated natural conditions. The financial economic instruments will be objectively reviewed from the vantage point of such conditions, so that the inefficient operations of some collective or state farms cannot be covered up.

7. Internal Trade, Public Catering and Services

In the field of internal trade, public catering, and services, restructuring of the economic mechanism requires a re-evaluation of the management system and an application of changes leading to the better satisfaction of the population's needs, while achieving a high labor efficiency, entrepreneurial initiative, and active participation of the work force.

The economic independence and responsibility of these organizations will be intensified. Full economic accountability and self-financing will be applied, while profit will become the basic criterium of efficiency and motivation.

As far as trade is concerned, the key prerequisite of the goal-oriented solution is the restructuring and objective measuring of the trade span on an economic basis; it would be tied to the restructuring of wholesale prices and preparations of the Ninth 5-Year Plan. Before full application of the new economic mechanism, it will be experimentally verified in selected enterprises.

The first step toward improving the quality and efficiency of public food service is to abolish the loss-ridden management existing in most organizations. Thus, not only the present operators (JZD, special purpose organizations of the National Front, etc.) but other parties interested in this type of enterprise could operate them as well. Commercial lease of places of business to individuals would be included. The urgency of improving the standards of public food services requires that the restructuring of this branch be made as of January 1, 1988, with the proviso that unprofitable organizations would have to show profit in the course of 1988.

The law on state enterprises will be fully applied to enterprises of local production and services as well. Initiative should be encouraged in that basic link of the management chain that knows best the varied local conditions and needs. The founding authority of national committees, together with changes in the system of their financial management, will create conditions for the necessary differentiation in the organizational structure of enterprises in the field of remunerated services. In the course of the process of organizing remunerated services on a productive and technical basis, National Committees will have to adopt new forms for their traditional enterprises, such as licences to citizens to offer services individually, or commercial leases of places of business.

8. The Information System

It will be necessary to set up a flexible information system, capable of providing relevant data on developments of the economy in general and of the organizations in particular. That will enable the use of such data for current as well as long-range management of the economy. It must be stressed that the quality of management is directly dependent on the quality of information, on the knowledge of economic processes in the world, and, particularly, on the possibility of competing in the technology and quality of the manufactured goods with world standards. Excessive report writing will have to be replaced by a wide use of computers and by well-organized and interconnected statistical data.

9. Control

Measures of control are an important part of the restructuring process. They should try to make the control function a component of the conceptual, organizational, and managerial work of central agencies and organizations. The preventive function of control will be increased, and economic evaluation criteria derived from principles of the new economics will be applied. Control activities must enable a timely exposure of deviations from the current projects and their causes. The main requirement is to ascertain that organizations secure their economic and social functions solely by means desirable for society, abiding strictly by the rules of government-regulated prices, fiscal policy, and wage development, thus discharging their duty toward society, customers, and consumers. Violations of socialist legality, of national and labor discipline will be dealt with more strictly.

IV. Progress of Restructuring—the Preparatory Stage

The implementation of the restructuring of the economic mechanism represents a broad, exacting, and complex set of questions touching on all links in the management chain, starting with the center and ending with all sectors of the economy, enterprises, and all working people. The prerequisite of its success is the broadening of socialist democracy and the assertion of the leading role of the Communist Party in guiding the entire process of restructuring.

We are entering a decisive period that will be more intricate inasmuch as serious difficulties appear in meeting the Eighth 5-Year Plan, as the present management system loses its efficiency and some of its elements cease to perform their tasks. Whenever the plan is not met, the gap of economic inequality widens and complicates the conditions and the requirements of the introduction of the new economic mechanism.

It is essential that the chosen schedule, form, and content of the individual restructuring stages make the concept and content of the Ninth 5-Year Plan fully responsive to the new economic mechanism. At the same time, however, its elements must also efficiently contribute to meeting the objectives of the Eighth 5-Year Plan. Certain positive trends in that sense can already be detected, particularly as a result of an increased initiative of working people, brought about by public discussion of projects of laws on state enterprises and the cooperative movement, as well as in testing some new elements of the economic mechanism.

The work on restructuring is entering a new phase. The Guidelines to Safeguard the Comprehensive Restructuring of the Economic Mechanism, comprising economic, systemic, methodological, organizational, and legal provisions, are in the final stages of preparation. They will be available to the central agencies and economic organizations for their future restructuring work. The Central Committe of the CPCZ charges its Presidium and the Communists in the Czechoslovak Government with the task of securing the finalization and publication of that document by the end of January 1988.

The procedure related to the preparation and discussion of legal norms ensuring the restructuring of the economic mechanism is ready and the government of CSSR has determined the tasks and set the deadlines for its implementation. The Central Committee of the CPCZ emphasizes that all new legal provisions must be consistently accompanied by the abolition of outdated ones, that the new provisions be simple and intelligible, without any supplementary, detailed, and binding instructions.

The Central Committee of the CPCZ takes note that its Presidium and the government of the CSSR will approve a program of material and systemic measures to ensure the objectives of the Eighth 5-Year Plan, strengthening the economic balances and overcoming problems resulting from deficiencies in meeting the plan in its first two years. This program has to be carried out consistently, and any weakening of the approved provisions will not be tolerated. Conversely, it is necessary to seek ways to discover new resources and possibilities for a successful achievement of the objectives of the Eighth 5-Year Plan through an increased initiative of the working people during the introductory stage of restructuring. The Central Committee of the CPCZ determined the following essential steps and principles that must definitely be fulfilled:

1. To expand, intensify, and systematically evaluate the comprehensive experiment on increasing the independence and responsibility of economic organizations for the experimental testing of the new economic mechanisms in internal trade organizations and in other sectors.

2. To put into practice, from 1988 on, the new economic mechanism according to rules approved by the Czechoslovak Government in the sectors of public food and other services, local economy and cooperatives, and, starting in 1989, in the agriculture and food complex as well.

3. To apply, not later than beginning of 1989, some elements of the new economic mechanism in the national economy, possibly in certain selected sectors. This refers specifically to a new system of guiding wage developments, to financial and economic instruments of foreign trade, foreign currency norms and one-tier exchange rates, to differentiated levies from wages, a temporary modification of profit taxes, etc.

4. To implement, by January 1, 1989, the restructuring of wholesale and purchasing prices as an important point of departure for restructuring the economic mechanism. To calculate in a timely manner the consequences of restructuring in individual economic organizations and to adopt necessary transitional measures. To combine the restructuring of wholesale and purchasing prices with the implementation of the program of timely updating.

5. Following on the restructuring of wholesale and purchasing prices, to carry out by January 1, 1990, a restructuring of the system of levies and taxes in economic organizations.

6. To redefine the functions, activities, jurisdiction, and organizational pattern of all structural links of central management, that is, the federal government, the governments of the republics and their agencies, as well as national committees. To prepare, in that context, necessary conditions for the fulfillment of some new functions of the center (coordination of the work on restructuring and organization of enterprise, current guidance of the development of economy, separation of the granting of credit by the Bank from its commercial credit activities, a comprehensive state plan, etc.)

7. To execute consistently—in the course of 1988-1989—the organizational restructuring of enterprise management in the state and cooperative sector, as well as in local economic enterprises and other organizations (research, project-oriented, budget-supported and self-supporting), according to new rules, including the confirmation of their legal status, the stipulation of their capital assets and business purpose and the determination of each type of organization. To that effect, the government of the CSSR will issue principles and define the relevant procedure. The economic authorities and

the kraj and okres committees must see to it that the principles outlined by the government are observed and that pressures of branch, group, or local interests will not be tolerated.

8. To initiate in 1988 the preparatory work on the Ninth 5-Year Plan and its new orientation in accordance with the principles of restructuring. Guidelines for this preparatory work, including methodology instruction, must be prepared by the end of 1989.

9. To increase—in concordance with the restructuring principles—the demands on personnel, particularly on the managerial staff. This requires an intensification of their knowledge of economy and of efficient management methods under the conditions of socialist democracy and of a well-informed public. In order to achieve this, it is necessary to organize studies of the new system of economic management on all levels of political and economic education, to organize among the organizations exchanges of data on new, advanced managerial methods, to improve systems of training, recycling, and educating commercial personnel and officials on all levels of the National Front and of the National Committee staffs. The study of the new economic mechanism must be introduced in the curricula of secondary and specialized schools as well as universities. In addition, relevant textbooks must be published for this purpose.

A prerequisite for a successful realization of restructuring is a broad application of democratic principles at all levels of society. This demands an increased awarenesss of all economic problems and of social and ecological issues. The managements in the economic, social and cultural sectors must proceed in their activities from the principle of an informed public, fully participating in the preparation of the most important decisions; the most experienced workers and best experts should be involved in the solution of problems. All citizens must have at their disposal a much better information on the activities of national committees, cities, okres and krajs. Budgets of such organizations will have to be publicly discussed.

The restructuring of the economic mechanism is the most revolutionary change in the management of the social and economic process since February 1948. It constitutes the implementation of one of the most important tasks set by the 17th CPCZ Congress. It represents a decisive part of our political struggle and a test of a responsible and consistent realization of Party resolutions. The restructuring was initiated by the CPCZ, which, representing the avantguard of our society, must lead the process of its implementation and spur all Communists to make it a success. This is a fundamental task for all Party members.

Principle Tasks of Restructuring the Economic Mechanism from 1988 to 1990

I. Application of new elements of the economic mechanism and their experimental testing.

1. Intensify the comprehensive experiment of increased independence and responsibility of commercial organizations.....from January 1, 1988

2. Test by experimentation the new direction and management rules in commercial organizations. To expand the experiment progressively effective.....in January 1, 1988

3. Apply new direction and management rules in organizations of public food and other services.....January 1, 1988

4. Implement generally new elements of the established plan, particularly in matters of credit policy, and in financial and economic instruments of foreign trade; to introduce foreign currency norms, etc. 1988-1990

5. Test by experimentation new systems of regulating the wage development in selected sectors.....1988-1990

6. Test by experimentation new elements of economic incentives in the results of the management of budget supported and self-supporting organizations.....1988-1990

7. Implement the new economic mechanism in the agriculture and food complex

II. Measures Pertaining to the System of Economic Instruments

1. Verify by modeling and quantification the individual economic instruments, first tentatively and selectively on the basis of present wholesale and purchasing prices, and comprehensively after their restructuring by January 1, 1989.....1988-1990

2. Verify depreciation rates and the method of writing off long-term assets and to prepare modifications applicable as of January 1, 1989.....1988-1989

3. Prepare measures for equalizing the different operational bases of organizations (different rates of depreciation of long-term assets, etc.).....1988-1989

4. Elaborate and gradually implement a system of reducing subsidies from 1988

5. Prepare a program of rationalization of the turnover tax effective as of January 1, 1991.....1988-1989

6. Implement a comprehensive restructuring of wholesale and purchasing prices from January 1, 1989

7. Introduce a one-tier exchange rate for commercial and non-commercial payments from January 1, 1989

8. Implement the restructuring of the levies and taxes system from January 1, 1990

III. Changes in Focusing the Activity and Organization of the Central Administration and Organizational Restructuring of the Production, Technology and Currency Base

1. Determine principles and procedure of restructuring the organization of the production, research and development and commercial base first stage by August 1, 1988; second stage by August 1, 1989

3. Re-define the functions and range of activities of the central agencies of the state administration while reducing their staffs; to prepare procedures for realization of relevant steps.....1988

4. Prepare measures of separating the credit granting from the commercial credit activity within the banking system.....1988

5. Prepare and gradually realize a program of placing personnel laid off due to changes in the central agencies and the production, research and development and trade enterprises with the relevant social questions taken into account from 1988

IV. Preparation of the 5-Year-Plan

1. Issue revised legal rules according to the program set up by the government of CSSR so as to make them the legal foundation of preparation of the Ninth 5-Year-Plan.....1988-1990

2. Develop the first laternative to the Gguidelines for the 9th 5-Year-Plan as a part of the Fundamental Trends of the Economic and research and development Progress in CSSR Until the Year 2000.....1988

3. Issue instructions on methodology of developing the comprehensive 5-Year Plan and other economic plans

4. Prepare guidelines for the compilation of the Ninth 5-Year-Plan under the conditions of the new economic mechanism.....1989

5. Compile a comprehensive state plan for the years 1991-1995.....1990

Further on Arrests of Demonstrators

LD202118 Hamburg DPA in German 2014 GMT 20 Jan 88

[Text] East Berlin (DPA)—Church circles have stated that more than 40 investigative proceedings have been instituted against members of various groups since the mass arrests in connection with an official rally in East Berlin the Sunday before last [10 January]. It appears that in all but five cases, those arrested were persons who had applied for exit visas, it was reported on Wednesday. It was still not known how many arrest warrants were issued, but there were between 27 and 32, according to various reports.

The office of the lawyer Wolfgang Vogel, who has been handling humanitarian problems for many years, is representing some of the detainees, who had tried to join the rally in memory of Rosa Luxemburg and Karl Liebknecht. Two other lawyers have taken on cases.

At a briefing of members of independent groups on Wednesday evening, it was reported that four young men who had planned to start a hunger strike in an apartment in Metzer Street in Prenzlauer Berg district have been arrested. Late Tuesday evening they had put a poster on the front door calling for the release of all those arrested on the previous Sunday. They were arrested shortly after midnight, it was reported. An apartment was also searched last night.

350 Protest Latest Arrests

AU210826 Vienna ORF Teletext in German 0812 GMT 21 Jan 88

[Text] East Berlin—Yesterday, about 350 people once more participated in a protest rally in Elias Church held against the latest arrests in the GDR.

According to church circles, the GDR authorities have issued a total of 40 warrants of arrests against people who attempted to participate with their own banners in an official rally on Sunday [17 January].

GDR Deports 14 Zion Church Peace Activists

LD190234 Hamburg DPA in German 1924 GMT 18 Jan 88

[Text] Bonn (DPA)—According to information in the possession of DIE WELT (Tuesday edition) the authorities in the GDR have surprisingly deported 14 inhabitants who were active in the East Berlin Zion Church community for environmental protection, civil rights, and peace, to the Federal Republic. Over the weekend, the group was called on to leave the GDR, it is said. Some of the young people had applied to emigrate a long time ago but had so far been refused. Others did not want to re-settle in the West in any event, the paper reports. The group is currently at the federal reception camp in Giessen.

Bezirk Official, Bishop Gienke View Relations

AU201445 East Berlin NEUES DEUTSCHLAND in German 18 Jan 88 p 2

[Excerpts] Rostock (ADN)—In Graal-Mueritz Juergen Hass, deputy chairman of the Rostock Bezirk Internal Affairs Council, and Bishop Dr Horst Gienke advocated further constructive development of the relations between state authorities and the Evangelical Church of Greifswald. They pointed out in agreement that the dealings of Marxists and Christians with each other include the joint responsibility for peace now. [passage omitted]

According to the interlocutors, the frank exchange of opinions and the open attitude toward each other are the expression of the trustful policy between state and church, which received new impulses on 6 March 1978 from the meeting between Erich Honecker, general secretary of the SED Central Committee and chairman of the GDR State Council, and the chairman of the Conference of Evangelical Church Directorates, and into which life has been breathed again and again at all levels.

Honecker Participates in KPD Ceremony

LD171149 East Berlin ADN International Service in German 0843 GMT 17 Jan 88

[Excerpt] Berlin, 17 Jan ADN—At the graves of Karl Liebknecht and Rosa Luxemburg in the central flowerbed of the memorial in Friedrichsfelde, leading personages of the GDR, including Erich Honecker, remembered the cofounders of the KPD with a wreath-laying ceremony. Then Berlin workers filed past the memorial and paid their tribute of wreaths and flowers to the leaders of the revolutionary workers' movement murdered 69 years ago. They emphatically stressed with their slogans: The stronger socialism is, the more secure peace is. [passage omitted]

Krolikowski Speaks at Potsdam Academy

LD190026 East Berlin ADN International Service in German 1543 GMT 18 Jan 88

[Text] Potsdam, 18 Jan (ADN)—SED Politburo member Werner Krolikowski, speaking in Potsdam today, said the GDR would continue in 1988, in firm alliance with the USSR and all socialist countries and together with peace-loving forces throughout the world, to exert all its strength for peace. The GDR first deputy premier was speaking at the Academy of Political Science and Jurisprudence to academics, students and listeners from state institutions.

He paid tribute to the work of the academy, which had earned authority and recognition through its research results in the area of foreign policy, political science and jurisprudence. In teaching it was necessary to pass on to the students a thorough knowledge and best experiences for the successful implementation of party and government decisions.

Werner Krolikowski called on the local state organs to secure good local conditions for the development of production and accurately functioning services for the citizens in the towns and communities.

GDR-UK Roundtable Discusses Arms Control

LD202226 East Berlin ADN International Service in German 2053 GMT 20 Jan 88

[Text] London, 20 Jan, ADN—The second Great Britain-GDR roundtable began in London on Wednesday evening. The head of the GDR delegation, Professor Max Schmidt, director of the Institute for International Politics and Economics [IPW], gave a lecture beforehand in London's Chatham House to members of the British Royal Institute for International Affairs, in which he set forth the GDR's stance on prospects and developments after the Soviet-U.S. treaty on the removal of medium-range weapons.

In the presence of notable scholars and politicians, among them the former Prime Minister Lord Callaghan, Prof Schmidt spoke of the necessity of finding a way out of the arms race. The GDR was in favor of the early ratification of the Washington treaty and of the conclusion of a treaty on a 50-percent reduction of offensive strategic weapons. The fact that the U.S. has started production of binary weapons was a source of great concern to the GDR.

In relation to the possible treaty on a global ban on chemical weapons, Great Britain had made helpful contributions to the solution of the verification problem.

Prof Schmidt underlined the consistent striving of the GDR for further disarmament measures. He referred to the latest letter from Erich Honecker to Chancellor Helmut Kohl. A nuclear-free corridor in Central Europe would be an important link between the treaty on the removal of medium-range missiles and future measures for reducing tactical nuclear weapons and conventional arms.

The head of the British delegation, John Roper, the international security program director at the Royal Institute, stressed that the roundtable would concentrate on problems of security and disarmament and on economic and bilateral issues. He was hoping the talks would be just as successful as the first talks of this kind a year ago in the GDR.

Gorbachev Book Presented at USSR Embassy

LD201846 East Berlin ADN International Service in German 1537 GMT 20 Jan 88

[Text] Berlin, 20 Jan ADN—Mikhail Gorbachev's book "Restructuring and New Thinking for Our Country and the Whole World," published by the Dietz Publishing House, was presented on Wednesday at the USSR Embassy in Berlin. The USSR ambassador in the GDR, Vyacheslav Kochemasov, and the director of the Dietz Publishing House, Dr Guenter Hennig, assessed the book as an important contribution to the possibilities of securing peace. The new publication made it clear what great efforts the CPSU is undertaking to bring socialist development in its country and so to consolidate socialism in the world, and how it works for peaceful competition between the different social systems, to promote cooperation to mutual advantage and exclude confrontation.

Guenter Hennig said that a second edition was being printed and would be available in February. He said that the Dietz Publishing House had also published in three volumes the "Selected Speeches and Essays" of the general secretary of the CPSU Central Committee from November 1967-July 1986, which had now been supplied to book shops. The fourth volume of this work, compiled by the Institute for Marxism-Leninism of the CPSU Central Committee, is now under preparation at the Dietz Publishing House.

Among those participating in the events were the SED Central Committee members Manfred Bannaschak, Otto Funke, Klaus Gaebler, Hans Pischner, Kurt Tiedke, Egon Winkelmann, and other personalities.

Daily Comments on FRG Nuclear 'Scandal'

AU201422 East Berlin NEUES DEUTSCHLAND in German 19 Jan 88 p 2

["W.M." commentary: "Nuclear Waste and Profit"]

[Text] The wave of protests that has swamped the FRG for days is continuing. The citizens' concern and dismay have been caused by the nuclear scandal that is simultaneously exciting the international public. What at first "only" looked like the handling of so-called nuclear waste by the Hanu Nukem Company in a way damaging to the environment, has materialized into the suspicion that the FRG company illegally traded enriched nuclear material that can be used in the production of nuclear arms.

In spite of all intensive efforts by the government and the FRG judiciary and investigating bodies, which have continued over the past weekend [16-17 January], to date, it has been impossible to refute this suspicion. Therefore, it is still feared that the Nonproliferation Treaty has been violated by illegal deliveries of nuclear explosives [as published] to unknown parties. For almost 2 decades this international law treaty has proven to be an effective instrument in preventing the further spread of nuclear weapons.

Regardless of what else comes to light in the future, two things are already certain: First, the FRG nuclear sector is not, as the FRG has repeatedly said, "one of the safest in the world." As the chancellor himself suggested on Sunday [17 January], the current control methods and bodies in the FRG are obviously insufficient. If in the future, such atrocious deals of companies are to be

revealed and prevented in time, a new strict control system has to be established for the FRG's nuclear sector. Such a system must correspond to the requirements of the Nonproliferation Treaty, which the FRG signed, and of the IAEA, of which the FRG is also a member. It must guarantee that these stipulations are scrupulously observed.

Second, one has to note that the Hanau scandal is not an unintentional failure of man and technology—such as the accidents in the nuclear power plants of Chernobyl (USSR), Harrisburg (United States), Chinon (France), or Dungeness (Great Britain)—but a deliberate, criminal act, obviously with the goal of making extra profits by illegally trading nuclear material. Since the reaching of maximum profits is the basic goal of the capitalist system, one has to expect new, "more skillful" attempts a la Hanau.

SED's Hager Meets With PSI's Craxi in Rome

LD202029 East Berlin ADN International Service in German 1904 GMT 20 Jan 88

[Text] Rome, 20 Jan (ADN)—Italian Socialist Party [PSI] secretary Bettino Craxi and SED Politburo member Kurt Hager have paid tribute to the document issued by the SED and the SPD, "The Conflict of Ideologies and Joint Security." This document positively influences cooperation among Communists, Socialists, and Social Democrats, and all those forces that want to preserve mankind from a nuclear inferno.

Craxi received Kurt Hager in Rome today for an exchange of views. The two politicians discussed current issues relating to the international situation and the international policy of their parties. In so doing they emphatically stressed that the efforts to achieve a reduction of military confrontation in the world and to introduce more predictability into international relations have led initially to remarkable results. The two sides praised especially the agreement between the USSR and the United States on the global removal of nuclear medium-range weapons. This is a first practical consequence arising from the realization to the effect that in the nuclear age more weapons do not mean more security. The SED and the PSI, the GDR and Italy have made an active contribution to this historic agreement.

Tourist Traffic With CSSR Increases

AU211015 East Berlin NEUES DEUTSCHLAND in German 19 Jan 88 p 2

[Text] East Berlin (ADN)—Tourist traffic between the CSSR and the GDR has considerably increased over the past years. According to the wishes of the governments of both countries, this should not change in the future. In 1987 alone some 6.7 million GDR citizens visited the CSSR. During the same period some 2.3 million CSSR citizens visited the GDR. As is known, no passports and visas are required for tourist traffic between the two countries. There is agreement between the two countries that tourist traffic is developing to the liking of the citizens. Together with the increase of tourist traffic, the volume of means spent for traveling has risen as well: In 1987 15 percent more means were spent than in 1986. Since the GDR State Bank was not in a position to procure more than Kcs2.3 billion for 1988, it will be necessary in 1988 to stipulate an annual limit of Kcs1,320 per person while maintaining the current daily exchange quotas. The stipulation of this limit became possible because of a decision by the CSSR Government to place Kcs2.3 billion at the disposal of the GDR for tourist traffic. This is compensated by specified exports to the CSSR, including raw materials and consumer goods. It is not possible to procure more korunas from the CSSR than the stipulated limit. In tourist traffic with other socialist countries, the Hungarian People's Republic for example, a limit was stipulated several years ago for similar reasons. This measure has proven successful.

Herrmann Receives CSSR Radio Director

AU201657 East Berlin NEUES DEUTSCHLAND in German 19 Jan 88 p 2

[Text] East Berlin (ADN)—Topical domestic and foreign policy issues in implementing the 11th SED Congress resolutions were at the center of talks on Monday [18 January] between Joachim Herrmann, Politburo member and secretary of the SED Central Committee, and Jan Risko, member of the CPCZ Central Committee and director general of Czechoslovak radio. The further shaping of the developed socialist society in the GDR is the focal point of the work, Joachim Herrmann stressed. Jan Risko explained how the resolutions of the 17th CPCZ Congress are being implemented in the CSSR. The talk was attended by Achim Becker, member of the SED Central Committee, chairman of the State Committee for Radio, and Pavel Sadovsky, CSSR ambassador to the GDR.

In the evening Achim Becker and Jan Risko signed a work plan for further cooperation between the two radio stations, which provides for, among other things, an increased exchange of programs, above all in the sphere of music.

Honecker Condolences to PRC on Plane Crash

AU211051 East Berlin NEUES DEUTSCHLAND in German 20 Jan 88 p 2

[ND item: "GDR Condolences on Plane Crash in the PRC; Telegram from Erich Honecker to the Party and State Leadership"]

[Text] Berlin (ND)—Erich Honecker, general secretary of the SED Central Committee and chairman of the GDR State Council, has sent the following telegram to CPC General Secretary Zhao Ziyang and to PRC President Li Xiannian on the crash of a CAAC [Civil Aviation Administration of China] passenger aircraft:

Esteemed comrades,

Shocked by the news of the plane crash, I convey to you my deeply felt condolences on behalf of the SED Central Committee, the GDR State Council and Government.

I ask you to assure the relatives and friends of the victims of my sympathy.

National Front Greets Cambodia's Chea Sim

BK200338 Phnom Penh Domestic Service in Cambodian 1300 GMT 19 Jan 88

[Text] On the ninth anniversary of the PRK's 7 January national day, Comrade Chea Sim, member of the Party Central Committee Political Bureau and chairman of the National Assembly and the KUFNCD [Kampuchean United Front for National Construction and Defense] National Council, received a congratulatory message from Comrade Dr Professor Lothar Kolditz, president of the GDR National Front Presidium. The message says:

Under the KPRP's [Kampuchean People's Revolutionary Party] leadership, in the last 9 years the Cambodian people have scored great victories in restoring national economic bases and developing a political and cultural life as well as in defending and strengthening the country.

The GDR National Front appreciates the people's efforts in implementing the party resolutions of the KPRP's Fifth Congress. This implementation is in accordance with the great attention, sympathy, and efforts of the party, government, KUFNCD, and entire people inside and outside the country to unite and cooperate in achieving national reconciliation along a progressive path.

On the occasion of your country's national day, I would like to reaffirm the inseparable bonds of friendship and active solidarity of the movement of socialist people in the GDR. I am convinced that the close relations between the GDR National Front and the KUFNCD will be further strengthened based on the treaty signed in 1985.

'Bestseller' Gorbachev Book Published

LD202030 Budapest MTI in English
1758 GMT 20 Jan 88

[Text] Budapest, January 20 (MTI)—On Wednesday a readers' meeting was held at the Budapest House of Soviet Culture and Science on Mikhail Gorbachev's book entitled "Perestroika and the New Way of Thinking—for Our Country and the Entire World". The Hungarian translation was issued at a record speed by the Kossuth and Pallas publishers of Budapest in the second half of December, six weeks after the simultaneous publication of the Russian and English versions.

The session was addressed by Boris Stukalin, ambassador of the Soviet Union to Hungary.

Erno Lakatos, head of the Agit-Prop Department at the HSWP CC, appreciated the latest book of the CPSU CC general secretary, the international significance of the revolutionary transformation taking place in the Soviet Union, and the Hungarian-Soviet relations comprising all fields of life.

Erno Lakatos emphasized that the publication in Hungary of Mikhail Gorbachev's latest book was a political and cultural event of utmost importance. This was the sixth book of Mikhail Gorbachev published for Hungarian readers.

"Perestroika and the New Way of Thinking" has become a bestseller in Hungary with practically all the 25,000 copies sold out in a few weeks' time. The second edition is soon to come out. All this is natural, Erno Lakatos said, as the Hungarian public follows with great interest the restructuring and the social and economic renewal taking place in the Soviet Union. Mikhail Gorbachev's work expounds the features of the new ways of Soviet political thinking, discusses in detail the revolutionary nature of transformation, the new Soviet economic and social policy, openness, and the extension of democracy, and analyses the Soviet foreign policy from the aspects of the socialist countries, the Third World, the advanced capitalist states and Europe.

Mikhail Gorbachev interprets the process taking place in the Soviet Union as a revolution 'from above' and, at the same time, 'from below'. He regards this feature as a stable guarantee for the success and irreversibility of the process of renewal although 'there are, and continue to be, difficulties, sometimes no little ones, on the road of perestroika, and we make no secret of them'.

A separate chapter is addressed to the influence of perestroika on the socialist world. Mikhail Gorbachev stresses that the 'transformation of relations within the socialist community is under way, in compliance with the requirements of the age'. He also emphasizes the firm principles that each party is independent, each party has the right to make sovereign decisions on the affairs of its country and each party is responsible towards its own people. In a conversation with French Prime Minister Jacques Chirac, Mikhail Gorbachev said that there are mutual effects between the socialist countries. 'We take over some experience from our friends and they take over from us what is suitable for them.'

The "new way of thinking" included in the title is a reference to the modification of the Soviet foreign policy concept in recent years. The Soviet foreign policy starts from the recognition that Clausewitz's classic thesis under which war is nothing but a continuation of political intercourse with the admixture of different means holds no longer true. This thesis has lost its validity for ever as 'the nuclear war cannot be a means to attain political, economic, ideological or other aims whatsoever'.

Mikhail Gorbachev states that cooperation based upon mutual understanding, equality and approach, and constructive dialogue are sine qua non conditions for the worldwide spreading of the new way of thinking. Similarly to the approach he made to home policy affairs, Gorbachev starts from the fact that there are no universal patterns: The countries should cooperate in looking for the answers to all issues, including the most difficult ones.

Erno Lakatos's introductory paper was followed by a comprehensive exchange of views between senior journalists and public personalities.

Report on Situation of Romanian Refugees

AU211024 Vienna Domestic Service in German
0600 GMT 21 Jan 88

[Mathias Pongracz report; statements by Sandor Csori and Pal Bodor in Hungarian with superimposed German translation]

[Text] Unofficial estimates say that currently there are 10,000 Romanian refugees in Hungary. Most of them speak Hungarian, but many only speak Romanian. They live with relatives and friends and have simply stayed on in Hungary after their tourist visa expired. So far, illegal stays have been tolerated by the authorities.

At the beginning of January, 160 of the Romanian refugees received a summons to return to their country; 12 of them did so and landed in Romanian prisons. After an actual storm of protests, the aliens branch of the Hungarian police rescinded its decree. Nevertheless, the debate on Romania among the people in Hungary has not abated. Because the matter goes much deeper: Most of the refugees come from Transylvania and belong to the Hungarian minority. Until World War I this area was a part of Hungary.

The despair about the situation in Romania is particularly great among intellectuals. They are the first to flee. This is not only a political problem for the Hungarians, but also a moral one. Says Sandor Csori, a nation-wide known writer:

[Begin recording] If a minority loses its intellectuals, it loses its awareness of history, its national awareness. Then one can do what one wants with it. The Saxons and Jews were sold for money. The Hungarians cannot pay for their fellow Hungarians, therefore the government wants them to leave the country as soon as possible. [end recording]

With the latest measures the Hungarian state wanted to curb the stream of refugees from Romania. This has not been possible for now, because the state has not proposed a solution for the problem that causes it. This is asserted at least by the initiators of a statement that has now been handed to the foreign press. About 700, sometimes well-known personalities from all fields of Hungarian society—writers, scientists, workers, and also party members—address themselves to the Romanian public. They condemn Ceausescu's regime as a dictatorship and declare their support for all Romanians struggling for a change and for democratization.

The statement was presented by a man who had already taken the floor once in Hungarian history: Miklos Vasarhelyi. In 1956 he was the government spokesman of Imre Nagy.

Writer Pal Bodor explains the motives of this movement:

[Begin recording] The current Romanian leadership says that the Hungarian minority is responsible for all problems, defects, and failures. This is a political method that works day by day in an astonishing way. One of the most important motives of our appeal is to undermine this political method. [end recording]

The Hungarian Government is deeply troubled by this matter. Otherwise it would hardly have permitted 17,000 Romanian refugees to emigrate to the West without any problems over the past 2 years—in contradiction to its agreement with Romania.

Marothy Outlines Environmental Protection

AU201418 Budapest MAGYAR HIRLAP in Hungarian 16 Jan 88 p 3

[Interview with Dr Laszlo Marothy, minister of environmental protection and water affairs, by Attila Vodros: "More Modern Government Management—Social Collaboration Is Essential;" place and date not given]

[Excerpts] At its December 1987 session, the National Assembly adopted the law on the ministries, and a decision was made to reorganize the government. It was the first time since 1967 that such a large-scale change had been made. At the closed session of the National Assembly, Premier Karoly Grosz said that the changes to be implemented in the ministries and in organs which have national authority aim at establishing integrated ministries that are capable of ensuring internal coordination and, at the same time, of eliminating the rigid functional and sectorial divisions in economic management. The deadline is 31 March; until then, however, MAGYAR HIRLAP will continuously report on the work in this spirit. Our series will begin with our report on the tasks of the Ministry of Environmental Protection and Water Affairs.

[Vodros] Can the minister of environmental protection and water affairs issue a regulation outlawing the entrance of brand new cars with two-stroke engines into Hungary?

[Marothy] I think that at present such a regulation would have both legal and practical obstacles. Private vehicles with two-stroke engines, whose damage to the environment has become clear only in recent years, have been visiting Hungary for several decades. There is a high proportion of such private vehicles in the domestic pool of vehicles because these were the cars that many people could afford. Interstate agreements regulate the imports of these cars. When the agreements for 1986-90 were being negotiated, the National Environmental Protection Council, which was the responsible government agency for environmental protection at the time, did not have the appropriate authority to assert the requirements for environmental protection at these negotiations. The Ministry of Transportation's decree, which regulates the environmental protection requirements for vehicles, was published in 1986. The limits set by this decree are such that complying with them would have made it impossible to market vehicles with two-stroke engines whose emissions contain a high level of hydrocarbon. Taking into consideration the previous interstate agreement, the responsible authorities made an exemption for the number of vehicles laid down by the agreement. [passage omitted]

[Vodros] Would you please outline the tasks of the Minister of Environmental Protection and Water Management, tasks which ultimately justified the establishment of this ministry?

[Marothy] There is a clear-cut process currently underway, the process of upgrading the importance of environmental protection in every society; and it is becoming an organic part of public thinking, of overall policy and of activities of state organizations. Accordingly, all societies are making efforts to establish a state organization which will be qualified to represent and organize this highly complicated and wide circle of tasks on a high level. This is our most important endeavor, too. [passage omitted]

We must work out in detail Hungary's policy of environmental protection and water management as well as the methods and means of implementing it; this work is to be done for the Council of Ministers. At present we are already directing from one center the implementation of tasks relating to water affairs management, water supplies, the prevention of water damage, protection of nature and the landscape, clean air, protection against noise and radiation, and other tasks of this branch. [passage omitted]

[Vodros] Would you please describe the Ministry's ideas concerning the development of its international relations, since our geographical location induces us to treat them with special care?

[Marothy] In my opinion we should maintain our existing international connections in such a way that, in addition to our interstate relations international cooperation will influence the domestic management, research, development, production, and service activities even more favorably than hitherto. As an example of the importance of international cooperation, I will say that common tasks of water management have been efficiently solved for decades on the basis of government-level agreements on border water affairs that were concluded with the neighboring countries. [passage omitted]

Implementing the international agreements that were concluded in recent years is one of our major tasks. In this area I am primarily thinking about implementing the agreements on limiting the air pollution that spreads across international borders, the 8-country Danube agreement, and the 5-country Tisza agreement. [passage omitted]

[Vodros] In what organizational form will the new Ministry function in the future?

[Marothy] There is no need to reorganize the existing system of flood protection, and protection of nature is also handled by an existing organizational unit. However, since the Ministry is not the product of two mechanically connected offices, a new organizational construction is required for this qualitatively new task. [passage omitted]

[Vodros] We are short of money.... Does this situation not paralyze our environment protection and water management efforts from the outset?

[Marothy] Because of the well-known situation of the people's economy, less money can be spent domestically, and this is precisely why we are delaying the implementation of certain social and economic tasks. Although we have been squeezed into a tighter corner with regards to environmental protection, the government advanced sufficient amounts of money to slow the deterioration in the state of the environment and improve the environment in those areas that are in the worst conditions. I think that the fact that no significant deterioration is expected in financing environmental protection and water management activities is particularly important in the present conditions. [passage omitted]

[Vodros] In your opinion, is it necessary to change our approach to environmental protection and water affairs issues fundamentally?

[Marothy] One of the basic aspects of the attitude on environmental protection is the acknowledgement that the world does not belong to any individual person. A significant change would be necessary in our respect for each other and our responsibility for other human groups, other nations, and the entire life on earth. A fundamental change would be required, but we also have to acknowledge that human behavior is influenced by many factors; because in vain would one collect waste materials selectively when the conditions for this do not exist in his immediate environment. Only in the long term can we eliminate such obstacles. We have, however, tasks that can hardly be delayed. The development in water consumption is, in my opinion, a good example of this. The per capita water consumption in our communities is 70 liters; in Budapest it is already 250 liters; and in the new housing communities it is 350 liters, and even as much as 500 liters, instead of the sufficient amount of 150 liters per capita. Therefore, we should have a total change of attitude. [passage omitted]

[Vodros] What will determine the information policy of the Ministry?

[Marothy] Our information policy will basically be determined by the main goals of the environmental protection policy. The professional experts in environmental protection and water affairs should be able to think together with as large a group of society as possible and public opinion should be informed about the most important issues that the ministry is working on; these are the requirements for the implementation of our goals, which I have already referred to. [passage omitted]

Editorial Analyzes Environmental Data Bank

AU201424 Budapest MAGYAR HIRLAP in Hungarian 19 Jan 88 p 1

[Editorial by Erzsebet Juhasz: "Our Environmental Data Bank"]

[Text] Active environmental management is gradually replacing passive prevention of damage in an increasing number of industrial sectors. This requires not only an environmental management concept and the simultaneous consideration of technical, economic, and social factors in making decisions, but also the decisionmakers' ability to receive up-to-date and precise information on the environment.

The establishment of a central, uniform, and comprehensive information center on industrial environmental protection began recently, in order to establish active

management of the environment. This will make it possible to observe environmental changes, reveal the causes of these changes, and to carry out environmental protection activities on the basis of measures and analyses, and fully aware of the prevailing environmental conditions.

From where will this data bank receive the relevant data? It will receive the necessary data partly from existing sources—data recorded by water affairs and meteorological services, health services, and by environmental protection bodies and institutions; and partly, directly from the enterprises. But for the enterprises to be able to provide exact and proper information for the data system, the conditions for this must first be created. Along with the existing stations, a network of measuring stations must be developed, complete with the necessary instruments, installations, and a staff of experts who will evaluate incoming data in a uniform way. We must continue to import some of the necessary installations. There are quite a few enterprises today, however, that will take up the production and development of such instruments and installations.

In the course of working out a system of information on industrial environmental protection, a comprehensive analysis has been carried out on environmental pollution that exceeds the permitted limits and on the state of industrial environmental protection. The permitted limits of environmental pollution caused by individual industrial sectors have been determined and so have the main industrial measurement points and the data concerning the overall national environmental burden. One important endeavor of the information center's to provide regular information concerning the environmental conditions of individual areas and the measures taken in order to alleviate the environmental pollution.

TU Presidium Votes Employment Policy Council

AU210931 Budapest NEPSZABADSAG in Hungarian 19 Jan 88 p 1

[Correspondent's report: "Information, Coordination of Interests, Assistance—The Tasks of the Employment Policy Council of the National Trade Union Council"]

[Text] A decision on the establishment of an Employment Policy Council was made at a session of the presidium of the National Trade Union Council last week. Lilla Garzo, secretary of the Employment Policy Council, said that this step is justified because of the conclusion reached by the National Trade Union Council that local and individual intervention is not sufficient in dealing with employment policy problems, because this only deals with the symptoms. The trade unions should work out a longer-term program and establish an effective way of thinking that is uniform and general, and that is adapted to this program. A situation should be established which the position of the trade unions from different branches on basic issues will not differ, issues such as, for example, a jobless worker' right to social security until he finds or is offered a job that suits his qualifications. Every trade union should insist on this right.

In this mainly theoretical work, the Employment Policy Council will have a partly advisory, partly coordinating function. It will prepare the decisions of the leading bodies and assist in coordinating the often quite different opinions and interests of the sectoral, regional, and national organs, without limiting their scope. In addition to these, it will also have everyday, practical tasks in reducing local employment tensions.

The economic secretaries of the sectoral trade unions and the county organizations, a staff member of the Ministry of Justice, and trade union and labor affairs researchers are among the members of the Employment Policy Council.

In the short term the Employment Policy Council cannot do much to provide enough jobs, but by establishing an adequate information system and by initiating and contributing to retraining programs it can help a person seeking employment find a job more easily. It is conceivable that adults now finishing elementary school should also receive retraining subsidies because such education is fundamental for the acquisition of any profession.

Lilla Garzo said that the Employment Policy Council should also handle problems such as, for example, the problems of people like those at Ozd who belong to the trade union groups of those who are unemployed and who cannot get a special subsidy, although probably they need it the most. It seems that the trade unions have succeeded in overcoming the limitation on the number of people entitled to a job-seeker's allowance; but, because of the fact that enterprises so far have been trying to evade their obligation to report that they are releasing workers, they evade this all the more do so at present, when they have to report practically every individual release. They will try to convince those people that they want to get rid of to resign on their own.

Trade union committees at enterprises also do not know exactly whose interests they should protect, the interests of those who have to leave, or the interests of those who are staying and can obtain wage increases in this way. It is necessary to change the approach on this level, too, and this is where the short- and long-term goals meet.

One of the biggest problems is that at present almost every economic organization has taken up a defensive position and is trying to increase its profits only by eliminating inefficient activities, rather than by widening its activities. However, even the best and most flexible employment policy will be unable to help people find a job if no new jobs are created in place of the ones that were eliminated, stressed the secretary of the Employment Policy Council.

Cultural Commission Discusses Radio

LD202157 Budapest MTI in English 2036 GMT 20 Jan 88

[Text] Budapest, January 20 (MTI)—The Cultural Commission of the Hungarian parliament held its first session this year in the Hungarian Radio on Wednesday. At the session, which was also attended by Speaker Istvan Sarlos, the MPS were informed of the work, the situation and the plans of the Hungarian Radio by President Istvan Hars.

According to the data of the radio, Istvan Hars said, some 88 per cent of the Hungarian population listen to the radio each day, and 49-50 per cent are regular listeners to the news. The radio has three central programmes with an aggregate daily broadcast of 61 hours, six regional programmes (11 hours) and external broadcasts in six languages (17 hours). Sixty-one per cent of the broadcast is music and 38.6 per cent prose including 15.7 per cent political topica and information. The president said that the annual budget of the radio amounts to 1,195 million forints, out of which 557 million forints are paid to the post office. At present a programme hour costs 37,500 forints.

The deputies welcomed that the programmes and reports of the radio were giving growing publicity to the different opinions and views, and to fair and correct debates. The commission members asked that the radio coverage of parliamentary debates should include more excerpts from the deputies' contributions. Deputy Zoltan Kiraly proposed that the radio should create an opportunity for voicing the different opinions on different stations so that the various views be manifest in a marked way, providing easier orientation for the general public. Replying to the proposal, Istvan Hars said that the radio would continue to aim at giving voice to the various conceptions and views simultaneously, within the same programme, so that a programme itself should reflect the differences in views. Deputy Laszlo Bokor stressed that the radio has also to function as archives, and proposed to make its valuable materials available for researchers and those interested either in series or on cassettes.

Jaruzelski Addresses PZPR Deputies Club

LD210959 Warsaw PAP in English
0003 GMT 21 Jan 88

[Text] Warsaw, Jan. 20—The PUWP deputies' club met here today with the participation of Wojciech Jaruzelski to discuss some key economic, political and social problems.

Also today, deputies' clubs of the United Peasant Party (UPP) and the Democratic Party (DP) held meetings on the eve of parliamentary session.

The deputies of the PUWP club acquainted themselves with economic results for 1987: National income increased, but the growth rate was lower than in preceding years.

As for the work on the 1988 draft budget, three problems dominated the club's discussion: budget deficit, price and income policy, and the issue of infallibility in fulfilment of the directives included in the central annual plan and in the draft budget.

After an in-depth discussion, both deputies and government members decided that the deficit, which resulted chiefly from subsidies to enterprises, could be reduced by 100 billion zlotys. Modifications introduced by the government into the draft implementation programme of the second stage of economic reforms were presented by Deputy Prime Minister Zdzislaw Sadowski.

Taking the floor at his club's meeting, Wojciech Jaruzelski emphasized the special importance of the period Poland is entering. He pointed to the expectations of the party and state leaders with respect to the second stage of the reforms which should lead step by step towards betterment. Wherever it is possible the process of restructuring of the economy should be accelerated, while at the same time all those absurdities that still exist and that pester the Pole's everyday life ought to be eliminated. The PUWP CC first secretary expressed his respect for the deputies and the magnificent job they had done, especially recently.

Wojciech Jaruzelski referred to the achievements of the eighth term of the Sejm's session which embarked on the cause of socialist renewal and initiated significant processes of parliamentary work in novel conditions. The present term is a development and up-grading of that achievement. The Sejm became accustomed to democratic procedures. Deputies' constant contact with the constitutents allows the former to better learn of the latter's opinions, attitudes and deliberations. The Political Bureau is informed about the more important moments in the work of the PUWP deputies' club. The Sejm, the deputies face particularly responsible tasks today, he said. [sentence as received]

The meeting of the UPP deputies' club discussed the basic solutions of price and income policy. Main tenets of the state's 1988 foreign policy were presented to the deputies as well as major problems of the Polonia Society's foreign activities. The meeting was attended by Roman Malinowski.

The meeting of the DP deputies' club focused on the modified implementation programme of the second stage of economic reforms and the state's 1988 draft budget. Government representatives replied to questions asked by deputies about specific solutions provided for in peace and income policy, relations between the modified implementation programme of the reforms' second stage, the current five-year national social and economic plan, and this year's budget proposals, and about other issues. Poland's foreign debt and its impact upon the situation in Polish economy were discussed. The club meeting was attended by Tadeusz Mlynczak

Warsaw Cites Bank Official on National Debt

LD151514 Warsaw Domestic Service
in Polish 1300 GMT 15 Jan 88

[Text] In connection with the signing of a preliminary agreement with the so-called Paris Club we can expect, as early as in the first half of this year, credits to be granted to our country by the World Bank amounting to $250-300 million, Wladyslaw Baka, chairman of the National Polish Bank, said at a meeting with Polish and foreign journalists. He also emphasized that Western banks are closely monitoring the implementation of the second stage of the economic reform, which to them is a credibility basis with regard to healing our economy. Wladyslaw Baka also informed those present that Poland's debt came to $37.5 billion at the end of last year.

Government-OPZZ Meetings on Income Policy

LD202349 Warsaw PAP in English
2312 GMT 20 Jan 88

[Text] Warsaw, Jan. 20—The All-Poland Alliance of Trade Unions (OPZZ) and some local labour activists held working and plenary meetings with government members on the 1988 income policy between January 18 and 20. The plenary meetings were chaired by OPZZ chairman Alfred Miodowicz and Deputy Prime Minister Zbigniew Szalajda.

In the course of the meetings opinions were exchanged as to specific elements of the income policy, and a government standpoint with regard to the January 13 resolution of the OPZZ Council was presented.

Issues related to calculation of wages as well as new proposals dealing with rises in social benefits, and particularly in old-age and disability pensions, were discussed in detail.

The method of one-time wage rise by 6 thousand zlotys monthly per employed capita in socialized economy was considered, which complied with the simultaneously published statement of the governmental press office. The meeting also dealt with the issue of the lowest wage level for 1988.

The minister for finance told the meeting that in keeping with the proposals of trade unions a decision would be made in January this year as to the possibility of paying advance bonuses for the profits worked out in 1987.

Talks are being held currently with the management of the National Bank of Poland about revaluation of population's deposits in savings accounts and of trade funds on bank accounts.

Moreover, in keeping with the OPZZ postulate, after 1988's first six months the government will carry together with trade unions an analysis of incomes, prices, and costs of living in order to make contingency alterations in shielding operations.

Government Press Office Economics Statement
LD202253 Warsaw PAP in English
2210 GMT 20 Jan 88

[Statement of Government Press Office (abridged)—PAP headline]

[Text] Warsaw, Jan 20—In connection with the stand of the Council of the Polish Alliance of Trade Unions, the government press office has been authorised to make a statement to the effect that:

The characteristics and condition of an effective economic policy are cohesion of the presented conception and consistence in its materialization. The three-year "implementation program of the economic reform's second stage," which was submitted to the SEJM, is—The government deeply believes—such a cohesive, logical concept.

Its implementation will lead to: Greater supplies of goods and services, better utilization of the nation's resources, modernization of its economy, economical use of raw materials and other materials, higher labour productivity, durable cutting of inflation.

The "programme" thus comprises aims which are regarded as necessary and urgent by both, the government and the trade unions, various economic, legal, organizational, and popularization measures, all together composing "the implementational programme," are closely linked with one another and mutually dependent.

The policy on prices and wages plays a major role among them. Its aim is to reach a situation in which: products cost as much as they are actually worth, wages are equal to the real worth of the work.

The "implementation programme of the economic reform's second stage" should be seen and assessed comprehensively. The acceptance of some of its ingredients with a rejection or omission of the others cannot produce the expected results. For instance, the understandable concern of the trade unions about the working people's living standard does not eliminate the necessity to reinforce the motivating function of wages. The reconstruction of economy will never take place without that.

While formulating the guidelines for the policy on prices and wages in 1988, the government was guided by the principle included in the Sejm-adopted resolution on national social-economic plan that the level of real wages be maintained in the socialized economy as well as the real value of social benefits except the effects of price hikes on alcohols and tobacco products. Excluding these articles from the general calculations is connected with the intention to reduce their consumption and production.

The policy upkeeping the real value of earnings and social allowances, without adding the effects of price rises on alcohol and tobacco, was also pursued in the recent years. The real wages went up in 1986 and remained at the unchanged level throughout 1987. The government has intended to carry on this policy also this year. The prime minister confirmed it in his Sejm speech on December 5th, 1987.

The government proposes that managers of production enterprises, their worker self-managements, and factory trade union organizations adopt the principle of increasing the wages of every employee by 6,000 zlotys on the day when prices of basic foods are raised. The respective sums will be totally exempted from taxes on extra wage payments.

Further wages increase in enterprises (above 6,000 zlotys) will follow according to their economic performance and, for individual employees, according to the assessment of their productivity. Similar rules will be applied in the budgetary sphere.

In its ealier work, applying consistently the principle of making up for the growth in living costs, the government suggested introduction of an automatic compensation. Its value was calculated according to the so-called basic basket which covered most essential consumption goods, rent, and fees for power used up for living.

In the radical version of price and income operation as announced before the referendum, the rise in prices for those commodities and services was very serious, and thus the automatic compensation for every person employed was to be relatively high. It was then estimated to amount to some 55 or 60 per cent of the rise in living costs, that is in the range of 8,000 zlotys.

In the price rise version that was alleviated after the referendum, the prices of goods included in the basic basket increase to a considerably smaller extent. Calculated in strict accord with the basket, the rise in costs of living amounts to 1,750 zlotys. That sum resulted, however, in disinformation as to the real scale of compensation for the growing costs of living.

The government thus modified the proposal to directly compensate for the basket in order to maintain the scale of compensation, like in the pre-referendum version, on the level of 55-60 per cent of the rise in living costs per one employed monthly. Consequently, the result of this was 6,000 zlotys. Information about this alteration was presented by a government representative at the January 13 meeting of the OPZZ Council.

Thus, the discussion on the contents of the basic basket held earlier with trade unions became academic, while some over-emotional opinions on the issue are simply uncalled for.

Hence, the government will counteract the inflationary spiral of prices and wages growth by using economic, or even if necessary, other forms of slowing both price rises and inflation-prone wage rises that are unrelated to production results or rationalization of employment.

In 1988 average social allowance will grow to a higher degree than the average growth in costs of living.

As for other issues, the government declared many times in public its standpoint which is convergent in the direction of actions with the proposals currently being made by the OPZZ Council. Among other things, the standpoint pertains to a rise in family, education, medical care, students', foster family, and alimentation benefits (the rise is to be faster than that of living costs), and to revaluation of savings deposits.

In keeping with the earlier announcement, a review of the effects of the retail price rise upon the population's costs of living will be carried out after this year's first six months.

The Council of Ministers receives with satisfaction the declaration of the Council of the National Alliance of Trade Unions on support of actions for consistent reforms of the economy.

In particular, the government expects the OPZZ Council to take necessary measures so that factory trade union organizations participated constructively in the utilization of the existing mechanisms and decisively supported the mechanisms in the making which serve to extensively restructure the economy. It is in workplaces, in enterprises that the ultimate battle for reforms' success is being fought.

Government Statement on Agricultural Policy

LD202257 Warsaw PAP in English
2216 GMT 20 Jan 88

[Text] Warsaw, Jan 20—In connection with the stand of the Main Council of the National Union of Farmers, farmers' circles and organizations, the Government Press Office was authorized to issue the following statement which reads in part:

The government receives with satisfaction a declaration of support for the consistent implementation of the 2nd stage of the economic reform. Its goal is, among other things, to shape such economic relations in which the development of agricultural production will be decided upon—in a more considerable degree than so far—by market laws and the profitability of this production.

The government repeatedly stressed that price restructuring accompanied by a preservation of society's real incomes was an inevitable element and condition of the effectiveness of actions provided for by "the implementation programme of the 2nd stage". This is the fundamental assumption of the price-income policy, also with regard to rural population.

The government will create conditions for a growth of incomes of such farms which work well, manage effectively and increase their production of goods. Their incomes should be closely tied to the results of work.

The recent years saw some deterioration of the relation of incomes in agriculture and outside it. There is a proposal to increase procurement prices by about 48 per cent in 1988.

These actions confirm the government will to implement the policy of agriculture development based on the resolution of the joint plenary meeting of the PUWP CC and the UPPCC [United Peasants Party Central Committee]

The proposals, submitted by the government, are to a considerable degree convergent with the postulates put forward by the main Council of the National Union of Farmers, farmers' circles and organizations:—subsidies to progress in agriculture (biological, technical and organizational progress) will be maintained,—in the coming years government procurement prices of agricultural goods will be maintained,—subsidies to mineral fertilizers, pesticides and feed mixes and additives will go down.

There are plans to widely use social protection. The government decided to work out this year a concept of establishing a social fund for rural community. In tune with the earlier announcement, in the second half of 1988 the government will assess the shaping of the population's incomes, including incomes of the rural population.

The government continues to remain open to proposals how to solve socio-economic problems of the Polish agriculture.

The full implementation of the economic reform—also in agriculture—requires common activity designed to untab [as received] the existing reserves, to increase effective production, to use scientific-technological and organizational progress. The main council of the union heeded the above in its stand. However, it focuses its point of view on the issue of equallizing the relations of incomes. Such one-sidedness neglects the conditionalities of agriculture development and future tendencies of transformations in the entire economy.

Messner Meets Scientific Review Commission

LD202317 Warsaw PAP in English
2243 GMT 20 Jan 88

[Text] Warsaw, Jan. 20—Polish Prime Minister Zbigniew Messner met here today with representatives of the Central Review Commission for Scientific Staff.

During the meeting, devoted to the commission's tasks and role in the next two years, Messner presented acts of nominations to chairman of the commission, Professor Benon Miskiewicz and to his deputies.

In the course of the discussion, speakers stressed the necessity for a qualitative development of scientific staff and the lowering of the age for scientific advancement of assistant professors and professors as well as the need for an increase of the number of scientists in deficit fields.

Messner Talks at Journalists Seminar

LD202319 Warsaw Domestic Service in Polish
2200 GMT 20 Jan 88

[Text] Issues connected with the second stage of the reform, its implementation program and modifications to this programme, which have been worked out recently, were the subject of today's journalistic seminar, held in Warsaw with the participation of the party and government representatives. All these matters were presented by Zbigniew Messner, Zdzislaw Sadowski, Janusz Pawlowski, Bazyli Samojlik and Franciszek Kubiczek.

Issues connected with the political and propaganda activity were discussed by Jan Glowczyk and Marian Wozniak

Historian: 'We Still Continue To Look Back'

AU151301 Warsaw POLITYKA
in Polish 2 Jan 88 p 14

[Interview with Professor of History Jerzy Borejsza by Adam Krzeminski: "The Imperfect Past Tense...."—date and place not given]

[Text] [Krzeminski] It looks as if the role of historians in many European countries has unexpectedly increased. In our country the issue of "blank spots" is just as important as the reform. In the FRG historians continue to argue about the "relativity" of Hitlerite crimes. The GDR continues to refresh Prussian as well as Saxon traditions, and in the USSR the debate about Stalinism is on. Disclosures about the Petain era and the collaboration with Germany have produced a shock in France.... These different events have come to a head at the same time. In many countries historians have become arbiters of public opinion.

[Borejsza] Historians can act as such arbiters if they have access to archives and television stations and if they are not ordered to observe the historical philosophy imposed from above. But it is not the historians who decide whether it is already possible to examine the period of Stalinism and restore Prussian traditions. It is politicians and not historians who are the chief producers of blank spots. Searching for national identity is a continuous process, and one is all the more keen on going back to the past if various utopias fall short of one's expectations.

There are various points of historical reference insofar as national identification is concerned. World War II has been such a point for a long time. For Yugoslavs or Poles the question of World War II is a question of the legitimacy of their postwar systems. For the USSR this is a question of the legitimacy of its great-power status as well as of the responsibility for the disasters in the first phase of the war, of the reasons for the war and its results: The promised [two or three words] of values for which the 4-year struggle was waged, or further excesses of Stalinism.

[Krzeminski] Rybakov, the author of a book that settles accounts with Stalinism, said in one interview: "We liberated foreign capitals, but we were afraid to return to our own capital." I think that our people are still fascinated by World War II. This fascination is as understandable as it is dangerous. We do not consider ourselves to be really on the side of the victors. We do not look forward to the future and to real possibilities.

[Borejsza] This is true. Up to 1980-81, by direction from above, young people's attention continued to be concentrated on World War II. This was one reason why the 19th century now seems to be the remote past. As a historian I began my work with our national uprisings and with the 19th century and I noted how in the 20 odd years of my professional work, the 19th century, which was still so vivid around 1960, began to recede into the remote past. Today the 19th century is too remote, except for a few uprisings and some incidents of Poland's relations with its neighbors. Books about the 19th century no longer interest the general public.

But we still continue to look back. What is the good of this? The reason was clear in the first postwar decades: Because of its geopolitical position the nation must reckon with its great neighbors and revoke the past if it wants to justify its existence in Europe.

[Krzeminski] And to keep in mind its identity since it has so often faced the threat of being swallowed up by the one side or the other.

[Borejsza] Or by both, at the same time. But we must honestly realize that efforts to harp excessively upon that which our people, who lost 6 million of their citizens, remember so well have been made to divert attention from current events in the country. These efforts have been made to create the necessary and unnecessary national unity, depending on the moment, and have always been limited to just a few slogans such as the German occupation, the resistance movement, and Polish-Soviet brotherhood in arms.

[Krzeminski] That is why young people, being unable to swallow any longer the lies and omissions of the official publications, have begun to desert this narrow concept and to embrace the interwar period and the cult of Pilsudski and Dmowski.

[Borejsza] Since official publications referred only to World War II and since the history of the Second Republic was ignored, neglected, presented in a thoroughly critical light, and amputated in school books, it was natural for young people to turn to hagiography, apologia, and legend and to indulge in the cult of Pilsudski and Dmowski. Of course, we both can clarify that Pilsudski's merits as the creator of the Second Republic—of the reborn Polish state—are indisputable....

[Krzeminski] We find it difficult to subscribe to the view that Pilsudski was responsible for Poland's "partition" in 1939 as Solzhenitsyn said in his DER SPIEGEL interview, because Pilsudski wanted to come to terms first with the Germans and then with Lenin.

[Borejsza] You are not serious. Solzhenitsyn's observation is not an accident. Notwithstanding our praise for this author's character and talents, one cannot help noticing that Solzhenitsyn pays conscious or unconscious homage to certain motives of Russian nationalism. In his DER SPIEGEL interview he echoed the views of Denikin and the "whites." However, the question is whether our cult of Pilsudski and Dmowski could have been reconciled with the aspirations of the Lithuanians and the Ukrainians. People in the street still cannot understand that our old republic was or could have been strong through the coexistence of many nationalities and religions. On the other hand, the awareness of history that wants to reconcile the interests of various nations without overstressing one's own interests is gaining currency in Europe. We still do not see ourselves clearly enough in central and Eastern Europe and continue to keenly look up to France or the United States or rather to the myth of these two states. We also make too much of the myth of Pilsudski, who is supposed to be a symbol of not only independence, but also of power and the big-state status. Today it is difficult to shout down the choir of his eulogists and to assert that Pilsudski was nevertheless a dictator in 1926-35....

[Krzeminski] Yes, but people in the foreign countries were only too keen to place Pilsudski in the vicinity of Hitler, Mussolini, or Antonescu's "Iron Guard." This ploy was a convenient excuse for rejecting any pangs of conscience about Poland.

[Borejsza] Pilsudski was a dictator, but not a fascist. He became aged before his time, and was not quite in control of his faculties after 1926. His mind showed brilliant flashes with regard to foreign policy, but [two or three words illegible] in economic matters and the armament of the Polish army. [Krzeminski] How then should our awareness of history view those "blank spots" about which so much emotion has been spilled?

[Borejsza] It is politicians who exert the chief influence on the evaluation of the most recent history. To me there exist three kinds of "blank spots": Some result from the gaps in the works of historians, others that exist in the awareness of the masses are the product of politicians and "official" historians, and the rest are commonly known truths, which the elite of power passes over in silence and which are its own "blank spots." Some of the "blank spots" in the awareness of the masses are also products of political determining factors: People do not want to know the truth, and their opposition to the government in power or their negative stereotypes about neighbors make it impossible to accept, say, positive truths about the government or neighbors.

[Krzeminski] Which "blank spots" are the most crucial?

[Borejsza] I think those that exist in the awareness of those who govern and were produced through prohibitions and commands in the systems of authoritative power. Such "blank spots" create areas of ignorance or incomplete knowledge, and it is then that those in power begin to really believe in their own concoctions. This is true not only of Poland, but it is precisely in our country that many politicians have treated history as a limbo from which one takes out individual stage props and glues them together in order to justify one's "today"—one's 1949 or 1970. This treatment of history takes its revenge by creating the cults we have spoken of and by withdrawing trust from those in power and from historians, who are regarded as cheaters.

[Krzeminski] This shows that printing all the "pro" and "contra" historical publications would be the moot question.

[Borejsza] Many books on history—monographs and memoirs—which are published abroad must be reprinted. Scientists professing differing views must be allowed to hold partnerlike discussions in the press, radio, and television. It is a great pity that valuable works on the

history of People's Poland have not been officially published. One such work was written by Krystyna Kersten, but there are hundreds and hundreds of other such works.

[Krzeminski] The skilless presentation of Poland's postwar history as of 1944 is responsible for the fact that people regard much of what the school books, the press, and television tell us as lies. As a result, the awareness of the masses sees the 40 years of our postwar history in black.

[Borejsza] This history of the Third Republic, as People's Poland could be called, is not made up of crises, shortcomings, errors, and inefficiency and nothing else. The present elite in power should realize that its traditions are of short duration and that this is all the more reason why these traditions should be honestly cultivated, because as things are almost none of the postwar politicians is held in our esteem or is popular.

[Krzeminski] And almost none of them has a book to his name or has left any memoirs.

[Borejsza] It is difficult to write anyone's biography if one may write only 30 percent of the truth, whereas people know [Krzeminski] 150 percent of that truth.

[Borejsza] Precisely, and go to the other extreme. Besides, you cannot foster any kind of cult by order from above. It is impossible to foster the cult of Wladyslaw Gomulka through books that ignore his cardinal errors, the unofficial documents, and so on. Moreover, many people have had enough of cults.

[Krzeminski] Bringing back the cult of Bierut immediately after martial law has been introduced was an attempt at artificially fostering the personality cult. Within a few weeks this attempt petered out completely.

[Borejsza] If you want posterity to remember something and if you want to have your own genealogy, you have to look after it, but in our country the situation is that every team that takes over power goes back to the teams twice removed from it and crushes and passes over in silence the immediately preceding teams. That is why people become distrustful and forget achievements such as the agrarian reform, the advancement of rural areas, the elimination of illiteracy, and the spread of culture....

[Krzeminski] People do this "because this is the work of the reds...."

[Borejsza] No, not because of this, but because those teams falsified their own history. If authors were allowed to research and write the truth about Stalinism and if those in power studied people's attitude toward themselves, then it would have been possible to honestly say that Boleslaw Bierut had the support of more than 1 or 2 million of people.

[Krzeminski] Certainly. Large numbers of peasants who saw their chance supported him. They were not those who had to undergo forcible collectivization, but those who left their villages to build the Nowa Huta steel combine, donned the green shirts, and joined the party.

[Borejsza] Not all those parades were artificially organized. In our country, too, many young people genuinely believed in the cult of Stalin.

[Krzeminski] Also young left-wing intellectuals, who cast about in hope of finding new prospects, following the 1939 defeat and the 1944 experience, believed in that cult. They were not as stupid as the book Hanba Domowa [Domestic Shame] tries to make us believe. They simply succumbed to the spirit of the time, which people find difficult to understand today.

[Borejsza] Some intellectuals put their trust into the new system. When I asked one of the nonconformist communist activists who were in trouble in the thirties as members of the Polish Communist Party and who were critical of the measures taken by the new government in 1945: "How could you back Stalin and all that? You who fell victims to him in the thirties?" he replied: "Hitler was victorious in 1933.... We went for Stalin, despite the fact that we had some knowledge of the horrors told about him." This knowledge was not complete. A choice was made between two systems that were not identical.

[Krzeminski] The distinctive mark of revolutions is that they break up the continuity of history.

[Borejsza] That is why the historical education of the governing elite could have such great significance. It is characteristic that the commission of historians charged with clarifying "blank spots" is not composed of experts selected by, say, the Polish Historical Society, but mainly of historians who are politicians. This is no accident. They are to determine the form in which certain truths are to be served to public opinion, which knows these truths to a considerable extent. Politicians were responsible for these "blank spots."

[Krzeminski] This means that such a composition of the commission is logical. After all, explaining the Katyn affair is not reopening the graves, but integrating the rather clear facts and their contexts.

[Borejsza] Would that the integration of the facts known to the public take place as soon as possible. Our people are not nursery kids who have to be spoonfed. They have matured during the various crises. The more truth we have with more speed, the better for the people and the government. Horrible events had their historical context and should be presented with all attending circumstances. By the way, I would like to mention the Hitlerite propaganda about Katyn. I perused papers of Franz von Papen, "nonparty politician," who was Hitler's vice chancellor and later ambassador in Ankara. [Borejsza continues]

[Text] At that time, that is, in 1943 when the Auschwitz and Treblinka gas chambers were operating at full speed, his task was to propagate the Katyn affair via Petain's French press and the Turkish press, because Hitlerites knew that the Poles would believe the French press, but never the German press. This was the task of the man who intentionally let Hitler grab power in the face of the Weimar Republic's democratic government. German politicians and journalists drew attention to the Katyn crime many times not so long ago, mainly to dig a chasm between us and our Eastern neighbor. As for the Ribbentrop-Molotov pact, the entire truth must be disclosed as postulated by our and Soviet journalists. However, while disclosing the truth about that pact, which presents to us a special moral issue, one must not entirely forget its historical circumstances. Western historians, especially Anglo-Saxon ones, evaluate that pact as a far-reaching measure taken by Moscow, which was forced to take it since the British and French governments refused all negotiations with the USSR. Moscow had to reach some accord with Berlin. How far this accord and its results went and to what extent it outstripped all normal diplomatic agreements is another question. Of course, nothing justifies Stalinist practices against large numbers of Poles which began in September 1939. We must write that our viewpoints and moral rights are irrefutable, but we also must look at all this in the way Western and Northeastern Europe looks. This is what speaking the truth means.

[Krzeminski] This is where the general issue begins: the basic interdependence between states, government, and societies. Perhaps it is true that the era of the nation states is ending and that it is no accident that in many countries historians continue to wage disputes in question at the same time. Efforts are beginning to be made to balance common history by countering neighbors' claims with one's own, by determining what neighbors should concede to us and we to them, and so on.

[Borejsza] I think that we are entering such a stage, but let me add that our governing elite has no monopoly of "blank spots." Other nations with pluralistic political systems and complete freedom of speech are also prone to resort to silence. For example, France was very late in settling accounts with Hitlerite collaboration by hundreds of thousands Frenchmen and not only by a few Vichy ministers. The same is true of the Italians, who still have not settled accounts with the Mussolini era.... Another example is Austria, which began its postwar history as Hitler's first victim and so ducked responsibility for its eager participation in Hitlerism.

[Krzeminski] Let us then talk about Germans, because events in Germany are of crucial significance for us. In the FRG and outside it "the historians' dispute" is continuing about the relativity of Hitlerite crimes and about "normalizing" German history by pointing to the crimes of others. This process seems to be a reverse of ours: They want to veil some passages of their own history or to "whitewash" it at the cost of their neighbors.

[Borejsza] Well, there are nations with an excellent frame of mind and those whose frame of mind is bad or is being made bad. To a large extent the Germans have been made to feel responsible for Hitlerism. In the present "dispute of historians" conservative elements are not so much in favor of ignoring Hitlerism and its crimes as in favor of including these crimes in history.

[Krzeminski] Actually, we should praise them. This is all our historians want.

[Borejsza] Yes, but what about the meaning of this relativity? It is possible to put in doubt the peculiarity and exceptionality of every historical event. Relativizing has its advantages and its dangers in rightly or wrongly ascribing guilt to neighbors. German historians assert that the Allies' control and the constitutional situation made it impossible to formulate the complete answer. This means that in Germany, too, politicians determined whether certain "blank spots" should be created, because the Germans were ordered to account for their deeds, to atone, and to bear the burden of crime. [paragraph as published]

[Krzeminski] The argument that Hitlerism should be made "historical" has now appeared, and it is being argued that since 1945 150 wars have been waged, 50 million people murdered, Pol Pot ordered genocide in Cambodia, 3 million people were starved to death in Biafra, and that Auschwitz does not stand alone because there was Stalin, because kulaks were annihilated, and because there were labor camps, terror, and "Asiatic deeds" of the Bolshevik revolution.

[Borejsza] Relativizing the facts of history is a very risky operation, one that produces correct and incorrect conclusions. The operation that is now being propagated by Ernst Nolte and Joachim C. Fest is extremely pregnant with lies and distortions, including the one which asserts that Stalin's "Asiatic deeds" were models for Hitler and gave rise to his crimes.

[Krzeminski] This means that, as Nolte asserts, Auschwitz was a "preventive crime" dictated by the fear of the Bolsheviks. But in his interview about Stalinism Rybakov says that it was the "night of the long knives" and Hitler's gory showdown with Roehm and the SA that preceded the Stalinist show trials and bloody purges in 1937.

[Borejsza] Hitler often imitated Mussolini during the struggle for power, and Mussolini continued to watch the social reforms of the Bolsheviks. This old socialist questioned the Soviet ambassadors in Rome about these reforms. We know this from our university textbooks. The police forces throughout the world, no matter what systems they serve, profess certain professional and technical community and are much dedicated to imitation. Hitler continued to create his system of terror, while apparently closely watching Stalin's ways. But history is not a register of imitations and borrowings.

History is primarily made of the internal processes of individual nations and states. Imitation plays rather a secondary role. The Gestapo, the SS, and Auschwitz were products of German plans, traditions, and experience. It is impossible to view Auschwitz as a "preventive crime" caused by fear of the Bolsheviks. Besides, Hitler had no fear at all of Bolshevik Russia in 1917, 1920, and 1922. He used this fear to frighten others, but he alienated his own German left wing. Many things were written in that most boring bestseller in the world—"Mein Kampf." It was not revolution that was Hitler's first real experience and school of life. The destructive war in the West and poison gas were his first experience and school. It was in "Mein Kampf" that he announced that poison gas would be used. That is why we should not search in this connection for "Asiatic deeds" and for the Auschwitz imitations of the Stalinist labor camps. In addition, Hitler announced as early as the twenties that there would be a massive destruction of nations.

[Krzeminski] However, the question is how historians should treat crimes and terror occurring in history. Is it at all possible to compare the remote facts which are similar in at least the number of victims? The Turks murdered about a million of the Armenians, during the Russian revolution thousands of people with soft "white hands" were murdered, thousands and thousands of "Polish squires" were subjected to repression in 1939-41, and so on and so forth. Is it at all meaningful to make such comparisons?

[Borejsza] I am in favor of historical comparisons, but not in favor of relativizing. We must not say: These crimes are justified because similar crimes were committed elsewhere. Such an approach has nothing to do with science. Everyone should first formulate a moral evaluation in terms of the history of one's own nation and only then find out whether similar events happened elsewhere. Stalin's crimes do not justify those committed by Hitler.

[Krzeminski] But the thing is that some Germans argue that the 1946 Kielce pogrom of Jews makes Polish anti-Semitism comparable to German anti-Semitism.

[Borejsza] The Germans say that a single brand of European anti-Semitism resulted in Auschwitz and Treblinka and that there are only quantitative differences between individual crimes. But this untruth results from attempts to relativize crimes. During discussions in Germany, Christian Meier pointed to the exceptional nature of the Hitlerite crimes against the Jewish people and to the planned murder of all Jews, including children—of a nation that was not hostile to Germans and that even was partially integrated with the German people through language and culture.

Indiscriminately lumping together notions, committed acts, and plans is a great danger in the 20th century. FRG historians speak a great deal about revolutionary terror and about the class struggle in line with Stalin's absurd slogan that class warfare becomes increasingly acute as the Soviet state continues to consolidate. This resulted in enormous crimes. But it should be said that the terror of the October Revolution had its sources in the Russian reality before the revolution. Let us bear in mind the 1905 revolution, the streams of blood, /the Black Hundred, [extreme right-wing groups during 1905-07 revolution in Russia/ [words between slantlines Krzeminski's interjection] and the system of government practiced by that mindless Tsar Nicholas II, whose fate and that of his family was so horrible in the end. But when streams of blood continued to flow in 1905, that tsar wrote in his diary that he kept shooting stray dogs from the windows of his palace. Some job for an autocrat. We should bear in mind the century-old traditions of tsarist terror, Pugachev's uprising, and the fact that the Bolsheviks were a small elitist party of many enlightened people, who knew that they were attempting a deed which was beyond their strength.

[Krzeminski] They also knew that the Kerenskiy government had no backing and would be overthrown by the white counterrevolution any time at all.

[Borejsza] They knew that if they failed, white terror would really materialize and do away with them. The French revolution and the Paris Commune were still a living past for them. Let us not forget that Lenin asked to be buried under the banner of the French Communards and, as we know, the Paris Commune was a bloodless [bezkrwawa] revolution, one which sought to bring about social improvements and to force the Versailles government to expel the Prussians from France. The bloody massacre in May 1871 was how the government responded to those projects. The Paris Commune was still a living entity for the bolsheviks, because many of them were born in the sixties and seventies and were convinced that it was impossible to achieve anything by peacefully dealing with an authoritarian government.

[Krzeminski] But this does not explain Stalin's actions.

[Borejsza] Nor does it not explain and clarify the thirties. Despite his theoretical ambitions, Stalin's education was below the the Bolshevik leaders' average standards. If you would study his writings once again, you would see that they cannot be compared with Plekhanov's or Lenin's writings. What Stalin possessed was practical experience. He also knew tsarist Russia. As you know, his sources were Ivan the Terrible, some methods of Peter I, and Catherine II. It is enough to consider the movies Stalin promoted in Soviet culture. He favored the rulers who used extreme methods of struggle against their opponents and did not care a hoot for their own nation. This was how the dictator expressed contempt for his own people. Stalin was not interested in France and in the remote West. On the contrary, he put barriers against the West. He wanted a revolution that accorded with his own recipe and he wanted it in one country.

[Krzeminski] Today Soviet literature is trying to revise the image of Stalinism with greater speed than that of professional Soviet historians, and novels of many volumes continue to appear. In Poland, too, the first wave of settling accounts with the 1939 defeat and with the period of occupation was the work of literature. Things have been slightly different in postwar Germany, although the "literature of ashes" has been of greater significance than the essays by Jaspers or Meinecke. It seems that there is an obvious conflict between belles lettres and the historical sciences.

[Borejsza] The only conflict that exists is that history needs a passage of time before it can treat of events and that literature always reacts to them with greater spontaneity, although precisely in Germany Jaspers, Ritter, or Meinecke were just as quick as Thomas Mann or Heinrich Boell were. Historians must have documents and be able to consult various archives. But historians have also written memoirs and diaries, for example during the occupation in Warsaw. It takes time to sort out the facts in a scientific way. In the Soviet Union novels are a kind of semi-memoirs. It is difficult to go over from a historical novel to a synthesis of history. Only science can produce such a synthesis. In addition, one has to keep in mind the reality of the period in question. It was possible to produce a novel in one's mind, but to dare to examine the history of Stalinism during Stalinism was tantamount to a death sentence.

[Krzeminski] That is why so very few activists and politicians have left memoirs, confessions of conscience, and evaluations of their role in the events of the country. This was natural of the USSR of the Stalinist times, but was not natural in People's Poland where dangers attending attempts to write memoirs were not so great even in the worst period between 1949 and 1953....

The last question: What is this new approach to history in many European countries? Is it a kind of "new revisionism" or a new pattern of relations among nations also in historical awareness?

[Borejsza] All this is parallel processes which have coincided in a number of European nations. It is possible that this coincidence results from some common international conditions. The West Germans, who are pleased with their prosperity, peace and quiet, and civilizing standards, do not always want to comprehend their bellicose forefathers and fathers and most of them refuse to identify themselves with these forefathers and fathers, who on two occasions were behind the great barbarities committed against their own nation and primarily against other nations. And other nations want to prevent the annihilation and self-annihilation they have experienced and want to take full advantage of the achievements of civilization and peace in Europe. Still, we have to live with a vision of the annihilation of our world. This vision comes closer to us or recedes, depending on relations in the world. From a distance of 40 years it is easier to revise or verify hackneyed judgments by examining anew the mechanisms of annihilation. A sense of common threat and at times the understanding of the fact that man's fate in the East and in the West is virtually the same, outweigh ideological motivations and great utopias. At least in Europe.

Joint Commission With EEC Meets in Brussels

AU202102 Bucharest AGERPRES in English 2005 GMT 20 Jan 87

[Text] Brussels, AGERPRES, 20/1/1988—The seventh session of the Joint Romanian-European Economic Community Commission was held in Brussels, when an analysis was made of the evolution of mutual trade exchanges and new measures were set for the further development and diversification of economic relations and cooperation, as well as for the improvement of the legal framework underlying them.

At the conclusion of the session, the heads of the two delegations Ilie Vaduva, Romanian minister of foreign trade and international economic cooperation, and Willy de Clercq, member of the EEC Commission, responsible for external relations—signed the protocol of the session.

The Romanian minister met in Brussels with Herman de Croo, minister of foreign trade, and F. Rollants, secretary-general at the Ministry of Foreign Affairs of Belgium. A survey was made of the present stage of the economic relations between the two countries and measures were agreed upon to develop the trade exchanges and economic cooperation both bilaterally and on third markets.

Working meetings were also held with the managerial staff of Belgian companies.

DPRK Delegation Meets With Dinca, Andrei,

AU201414 Bucharest AGERPRES in English 1229 GMT 20 Jan 88

[Text] Bucharest, AGERPRES, 20/1/1988—Over January 15-19, a party and government delegation of the DPR of Korea, headed by Kim Yun-hyok, vice-premier of the Administration Council, chairman of the Construction and Building Materials Committee, paid a visit to Romania.

During the visit, the guests had interviews with Ion Dinca, member of the Executive Political Committee of the CC of the RCP, first deputy prime minister, Stefan Andrei, alternate member of the Executive Political Committee of the CC of the RCP, deputy prime minister, and Constantin Radu, deputy prime minister.

During the interviews, the friendly and cooperative ties between the two parties, countries and peoples were evoked, with emphasis on the possibilities to expand these ties according to understandings reached and decisions made during Romanian-Korean summit meetings and talks. New ways and means were examined to further boost economic cooperation in domains of mutual interest, to broaden bilateral goods exchanges.

While in Romania, the members of the delegation saw round economic units and socio-cultural establishments in Bucharest and Brasov County.

Ceausescu Volume Published in Tel Aviv

AU181942 Bucharest AGERPRES in English 1849 GMT 18 Jan 88

["A Volume Devoted to President Nicolae Ceausescu's Personality in Israel"—AGERPRES headline]

[Text] Tel Aviv, AGERPRES, 18/1/1988—A volume titled "Homage to the President of the Socialist Republic of Romania, Nicolae Ceausescu" was brought out in Israel to mark the forthcoming birthday of the RCP and Romanian state leader.

The volume is a collection of roughly 300 selections from the Romanian president's work, which are grouped under thematic chapters, such as "Under the Spotlight of Time," "Romania of Today, Romania of Tomorrow," "The People's Power," "The Earth Free of Weapons and Wars." They are all definitonal [as received] for the policy aimed at the country's dynamic manysided development, for Socialist Romania's initiatives and actions for the resolution of the major problems facing mankind. The preface to the volume, entitled "Nicolae Ceausescu, a Pioneer in International Relations" is signed by Abba Eban, chairman of the Foreign Affairs and Security Commission of the Parliament, former Israeli prime minister, who shows the Romanian president's whole activity to identify with the vital interests of the Romanian people and of the other world nations.

Owing to his long-standing experience, the preface shows, Nicolae Ceausescu has represented the quintessence of the assets and aspirations of the Romanian nation that he has led with determination, skillfulness and self-denial to further summits of civilization and progress. In the two decades elapsed since he has been leading the country he has made original contributions to international relations. His doctrine has always been set on the need for cooperation and friendship with other states, irrespective of ideology and social system. This idea has led to the concept concerning the universal character of international relations.

The preface highlights the key place and special value President Nicolae Ceausescu assigns to dialogue and negotiations, as the sole rational way to overcome divergences and settle differences and conflicts, with special emphasis on the Romanian head of state's unanimously acknowledged contribution to the efforts for the cessation of conflicts in the Middle East and other areas of the world. His capacity to openly discuss with governments in rivalry has gained Nicolae Ceausescu a special place in world diplomacy, the preface points out. The fact that Nicolae Ceausescu's contemporaries have espoused his doctrine is a sign of greatest valuation. And they also adopt his outlooks—cooperation between different interests and doctrines is not only possible but also mutually advantageous. Nicolae Ceausescu is a true pioneer in the international relations of the second half of the 20th century, the preface shows.

Important aspects of the Romanian home and foreign policy are also highlighted in the foreword to the volume, signed by Yitzhaq Korn, the editor of the volume, chairman of the Israel-Romania Friendship Association.

For a long time now, Yitzhaq Korn underlines, President Nicolae Ceausescu has been working for a political solution to the Middle East issues, starting from the idea that a military solution in that area cannot be successful and therefore should be altogether given up. The way of negotiations alone, Nicolae Ceausescu says, can put an end to the conflict in that part of the world and, in this respect, he states for an international conference on the Middle East to be attended by all the countries concerned and also by the Palestine Liberation Organization, Israel and the Security Council permanent members.

At the end of his foreword the author shows that the peace policy promoted by Romania and President Nicolae Ceausescu enjoys prestige with the public opinion in Israel.

A festive meeting was held when the volume was officially launched in Israel with Moshe Nissim, finance minister, Abba Eban, Yitzhaq Korn and Moses Rosen, chief rabbi of the Mosaic Denomination of Romania taking the floor. In the attendance were politicians and businessmen, representatives of the cultural and artistic life, journalists.

Opening the festive meeting Yitzhaq Korn read the telegrams sent on the publication of the homage-paying volume by the Israeli Prime Minister Yitzhaq Shamir, and the Deputy Prime Minister and Foreign Minister Shim'on Peres.

The Israeli premier's telegram highlights the Romanian head of state's remarkable contribution to the development of the Romanian-Israeli relations, to the promotion of peace and collaboration throughout the world. During my interview with President Nicolae Ceausescu, the telegrams reads, I noted his wish and special efforts for the promotion and strengthening of peace in the world. I am glad to greet President Nicolae Ceausescu on his 70th birthday and wish him good health and successes.

In his telegram, Foreign Minister Shim'on Peres conveys President Nicolae Ceausescu a warm salute, highlighting the Romanian head of state's contribution to the promotion of a peaceful solution in the Middle East.

Taking the floor, Moshe Nissim, Israeli finance minister, stressed that President Nicolae Ceausescu was a personality who is praised in the international arena, and who promotes a policy of peace and friendship with all the states.

In his turn, Abba Eban,the author of the preface, highlighted President Nicolae Ceausescu's highly innovative outlook on international issues, showing that one of its important components was the broad development of relations with all the states of the world, irrespective of size and sociopolitical system.

Army Higher Political Council FetesCeausescu

AU201748 Bucharest SCINTEIA in Romanian 16 Jan 88 p 4

["Telegram Sent to Comrade Nicolae Ceausescu, RCP Secretary General, President of the SR of Romania, and Supreme Commander of the Armed Forces by the Participants in the Plenary Meeting of the Party Aktiv of the Higher Political Council of the Army," from a meeting held on 15 January in Bucharest]

[Text] Much beloved and esteemed Comrade Nicolae Ceausescu:

The participants in the plenary meeting of the party aktiv of the Army Higher Political Council of the Army, which, in a party-minded spirit of great Communist responsibility discussed the tasks of the Army included in the brilliant report you presented to the RCP National Conference, with a view to exemplarily implement the provisions of the supreme commander's directives and fulfill the plan on combat and political training, on increasing production, and on improving scientific research and education in 1988, on behalf of all the sons of the country who serve under the Romanian tricolor, the participants express their feelings of boundless love and ardent gratitude to you, much esteemed Comrade Nicolae Ceausescu, illustrious leader of our party and state, great founder of modern Socialist Romania, outstanding personality of our times, and fearless fighter for the cause of socialism and peace throughout the world.

The participants in the meeting highly appreciate your prodigious activity devoted to drafting and implementing the strategy of building a comprehensively developed socialist society in Romania and ensuring the country's progress toward communism and to drafting the theses, ideas, and guidelines included in the documents adopted by the great forum of Romanian Communists; the participants in the meeting reassert their belief that, by implementing the provisions of those documents, they will ensure the unflinching fulfillment of the 13th RCP Congress decision and will make their contribution to increasing the economic potential of our nation, to raising our nation's standard of living, and to strengthening the independence and sovereignty of our socialist homeland.

Also on this occasion, we express the feelings of great esteem and appreciation harbored by all the military personnel for Comrade Academician Doctor Engineer Elena Ceausescu, front-ranking militant of our party and state and scientist of world renown, who has devoted and

continues to devote all her life, activity, power of work, and creative energy to the fulfillment of the Romanian people's ideals and aspiration.

In the light of the great requirements set forward by you at the Party National Conference, the plenary meeting examined the activity carried out by the Higher Political Council and by the RCP and the Union of Communist Youth organizations to strictly fulfill the tasks included in the 13th RCP Congress documents and in the directives on the military and political training of the Army in the period of 1986-1990; the meeting also established the political-organizational measures with a view to perfecting the strategic, operative, and tactical training of the commands, to improving the quality and efficiency of the instructional-educational process, and to increasing the responsibility of all military personnel in order to shape skilled fighters, with thorough military, political, technical, and professional knowledge and with a high socialist, revolutionary and patriotic awareness, active participants in the construction and defense of the socialist homeland.

Guided by the masterly report you presented at the Party National Conference—a report that is a great working and fighting program for the party, the whole nation, and for its soldiers—the plenary meeting adopted firm measures to more markedly assert the leading political role of the party bodies and organizations in all the military fields, to increase the responsibility of these organizations for perfecting the political and organizational activity, to improve the working style and methods, to strengthen the revolutionary spirit and the party discipline, and to ensure a better organization and management of all activity.

We assure you, much esteemed Comrade Supreme Commander that, the party aktiv, all the Communists, and all the military personnel will work with self-denial and consistency to unflinchingly implement the domestic and foreign policy promoted by our party and state and will honor in an exemplary way the tasks devolving on them from the documents of the Party National Conference, and will spare no efforts to prepare the Army to be always ready, together with the people, at the call of the homeland and at your orders, to defend the revolutionary achievements and the independence, sovereignty, and territorial integrity of our dear homeland, the SR of Romania.

Together with all our nation, in complete unity of thinking and feeling, with most ardent feelings of profound patriotic pride we prepare for your upcoming birthday and for the 55th anniversary of the revolutionary activity you have heroically carried out with unswerving confidence for the triumph of socialism and Communism on the soil of our dear homeland; much beloved and esteemed Comrade Nicolae Ceausescu, we express the boundless devotion that the soldiers of the country harbor for you and we extend to you the supreme homage and high honor of the Romanian Army. From the bottom of our hearts, we extend to you wishes for long life, good health and power for work, and many bright years at the helm of the party and state, in order to ensure the prosperity and happiness of the people and the glory and greatness of Romania.

The participants in the plenary meeting of the party aktiv of the Higher Political Council of the Army.

Ceausescu Visits Bucharest Economic Units

AU202000 Bucharest AGERPRES in English 1937 GMT 20 Jan 87

[Text] Bucharest, AGERPRES, 20/01/1988—On January 20, the general secretary of the Romanian Communist Party, president of the Socialist Republic of Romania, Nicolae Ceausescu, together with Elena Ceausescu met with working people of large economic enterprises and experts of research institutes in Bucharest.

The working visit was an opportunity to survey the results scored in the first part of January, the measures taken for the fulfilment of the economic tasks incumbent on the units visited, tasks implied by the intensive development of the national economy, by Romania's participation in the world exchange of assets.

The visit started at the National Institute of Heat Engines which develops families of high-performance engines in a unitary conception. The institute boasts a good material groundwork, a powerful team of experts. During his talks with the executives and experts of the institute President Nicolae Ceausescu requested that a general programme be worked out for all types of heat engines, which should take into account the domains they are meant for, the need to increase their efficiency, to make them match the world's best.

At the end of the visit President Nicolae Ceausescu and Elena Ceausescu met with the members of the scientific council of the institute. On the occasion the RCP and Romanian state leader showed that the visit was aimed at getting acquainted with the concerns and achievements of the National Institute of Heat Engines in attaining the targets set under the five-year plan as far as engines are concerned.

Referring to the measures required by the improvement of activity in general, the speaker specified that the institute should ensure the coordination of all sectors and activities in the field of heat engines throughout the country, and revise the present working programme, drafting unitary programmes for production modernization and as low as possible consumptions. Setting these goals, President Nicolae Ceausescu showed that, with what has been achieved so far as a basis, radical and fast changes should be made so that better engines with consumptions on a par with the lowest on a world plane

should be manufactured in the following period. The president expressed his belief that the National Institute of Heat Engines would become a strong centre of the Romanian science.

The visit continued at "Turbomecanica"—a unit the setting up of which is a results of the concerns to develop a powerful aviation industry in Romania. President Nicolae Ceausescu and Elena Ceausescu saw round the main production sections of the enterprise. During his dialogue with workers and experts on the way in which they fulfil their tasks, President Nicolae Ceausescu was appreciative of the results scored and asked them to further work for the implementation of the programmes for the manufacture of jet engines, to provide all conditions to continuously improve the quality of these Romanian products. He also recommended that new aircraft engines be developed boasting better performance.

The next unit visited was the Electrical Machine Manufacturing Enterprise. The talks held in productive sections highlighted the concern of the working collectivity to diversify the fabrication list, mainly by assimilating new types of electrical motors which are to equip machinery and installations for various branches of the national economy. Emphasis was placed during the survey on the questions related to the diversification of export, given the fact that the products for foreign partners account for about 60 per cent of the overall marketable production.

At "Tricodava" enterprise—the last unit visited—the economic achievements were surveyed scored after two stages of modernization of technological flows, the assembly of new, high-yield equipment. An important place in this modernization drive is held by the training and specialization of the working personnel of the enterprise which provided for an 18 per cent rise in productivity over 1986-1987 in conditions of substantial cuts in material expenditure. Addressing the executives and experts, the RCP general secretary stressed the need to further work to score better economic results, recommending that measures be taken to capitalize raw materials to a greater extent, fully use the existing equipment, increase the production meant for export.

The working visit paid by President Nicolae Ceausescu and Elena Ceausescu went down as an important moment in the life of the country's capital. Everywhere in the economic units visited, the working people warmly welcomed them paying a deep homage to President Nicolae Ceausescu on his forthcoming birthday and anniversary of over 55 years of revolutionary activity.

Djilas Says Gorbachev Lacks Bold Ideas

PM201103 Amsterdam DE VOLKSKRANT in Dutch 9 Jan 88 p 4

[Interview in Belgrade with Yugoslav dissident Milovan Djilas by Heila Rottenberg: "Gorbachev Lacks Bold Ideas"; date not given]

[Text] Belgrade—Milovan Djilas still lives in the shadow of power. Literally. His apartment is only a stone's throw from the Yugoslav parliament building. Official visitors from the West generally do not omit, after talking to the Yugoslav leaders, to call in on old Djilas and hear what he thinks.

He visibly enjoys his status as his country's most prominent dissident. Once he was Tito's chief ideologist and closest aide. He knew Stalin and Khrushchev well, he was closely involved in Yugoslavia's 1948 decision to break with the Soviet Union and stood at the cradle of workers' self-management, which provided Yugoslavia with the arguments for its own road to socialism.

At the zenith of his power, he came into conflict with other party leaders. He formulated ideas about a democratic socialism and criticized the privileges and the monopoly on power of the group to which he himself belonged. A few weeks later he was disowned by Tito. That was in January 1954. However, Djilas did not fall into oblivion. He became world famous with his books, "The New Class" and "Conversations With Stalin." Seeking revenge, Tito had him locked away for 9 years. Nowadays Djilas is still the most feared critic of the regime. Not a word of his can be cited in the press, and abusing him is a proof of loyalty.

He does not show his 76 years. He follows political events in his country and in the world closely and with great passion and does not seem in the least tired by an hour-long interview. As befits the subject—Gorbachev's perestroyka—the interview took place in Russian. Djilas speaks it fluently, although he consistently puts the stress on the wrong syllable.

[Rottenberg] Gorbachev will be coming to Belgrade soon. How are relations between Yugoslavia and the Soviet Union at present?

[Djilas] Relations are normal. The fact that Gorbachev is coming to Yugoslavia is probably of some significance, more for Yugoslavia than for the Soviet Union. The Yugoslav system has become enfeebled, the country is in the middle of a crisis and a visit by a world leader like Gorbachev in a sense strengthens the position of the government. Yugoslavia's economic situation is so bad that good relations with the Soviet Union and the Eastern bloc are of great importance. Yugoslavia needs the Eastern bloc as a market and also as a supplier of raw materials. Apart from that, I do not think that Gorbachev's visit will lead to any important changes.

[Rottenberg] Do you think that the Soviet Union can and will exploit a continuing crisis in Yugoslavia?

[Djilas] For the present there are no signs of such an intention on the part of the Soviet Union. But there can be no doubt that such plans do exist, due simply to the fact that the Soviet Union is a superpower. I think, however, that the Soviets will tread very carefully, for any interference in Yugoslavia would be the end of Gorbachev's policy of international detente. Of course, the crisis does offer neighbors like Albania and Bulgaria, possibly with the support of the Soviet Union, some opportunities. But the danger of foreign intervention should not be exaggerated. The Yugoslav Army is strong and patriotic; it is the only element in the country that is still united.

[Rottenberg] Do you see any signs of a change in Moscow's attitude toward its socialist brother nations; is their sovereignty as great as it was under Brezhnev?

[Djilas] Gorbachev is changing the Brezhnev doctrine of limited sovereignty verbally, not in practice. There is perhaps a certain difference in nuance. Gorbachev puts less emphasis on ideology and more on economic and intergovernmental ties. He behaves realistically in his foreign policy, more like a statesman than a party politician. That is something positive.

[Rottenberg] To what extent is Gorbachev making use of the experience of Yugoslavia and other East European countries for his own reforms?

[Djilas] Yugoslavia cannot serve as a model, because our system is bankrupt. The Soviet Union is perhaps looking more interestedly at Hungary, although that model does not seem to be very successful. The Soviet Union is looking at all the variants, but is going its own way. All communist countries are now developing on more or less national foundations. If Gorbachev says that he will use the experiences of other socialist countries, he does so above all out of politeness.

[Rottenberg] Have you found "the new thinking" in Gorbachev's book, "Perestroyka"?

[Djilas] The book disappointed me. At best it is a stagnation in political thinking, if not a step backward. In the book he sets out his ideological and political principles and for this reason it is a valuable document. But there is little in it that is new. I take a less positive view of Gorbachev now than I did before I had read the book. He is a pragmatist, he is intelligent, he has an inner harmony, but he lacks big bold ideas. He steers a middle course between the various currents in order to strengthen his personal power and lay a foundation for his policies. He wants to improve the present system through modest reforms without affecting the existing order. He is less courageous and radical than Khrushchev.

[Rottenberg] In his book Gorbachev frequently cites Lenin and speaks especially about Lenin's later writings. What can be concluded from this?

[Djilas] He glorifies Lenin. Naturally we should not expect Gorbachev to be critical of Lenin, but the way in which he speaks about Lenin means that he does not and will not realize that since Lenin various things have changed in the world and in the Soviet system. I think that he praises Lenin not only because, Lenin aside, there is no one and nothing remaining from the Soviet Union's past to which he can appeal. He could have made do with calling Lenin the founder. His simple, idolatrous view of Lenin indicates that Gorbachev does not have the intention of laying Soviet society or the party open to thorough discussion. He is using Lenin in order not to introduce new ideas, isn't he?

[Rottenberg] Do his economic reforms have a chance of succeeding?

[Djilas] From the experiences of Yugoslavia, and also of Hungary and China, it has emerged that without changes to ownership rights it is impossible to allow the economy, instead of politics, to regulate things. For this, a different approach to power is necessary. With the party's monopoly role, to which Gorbachev adheres and which he even wants to strengthen, a profitable economy is impossible. Gorbachev believes that enterprises must be based on market principles, but he thinks that here the existing structure of ownership can be preserved. East European leaders idealize planned economic development as the universal panacea. That is utopian. They will not realize that market mechanisms only work if the structure of ownership changes, if pluralism exists.

Gorbachev has a dogmatic view of the forms of ownership; he seems to be convinced that property that has been taken into social ownership or has been nationalized contains great possibilities for the development of the economy. In fact, it is more a case of property owned by the party and the bureaucracy, and not of property owned by society. There is no indication that Gorbachev senses this problem, even if only instinctively. He sees corruption, idleness, drunkenness, indiscipline. These are all discipline problems.

For example, he wants to change the attitudes of farmers toward the land and production. But he does not think it necessary to put an end to collective ownership. This can be seen, for example, from what he said in his 2 November speech on the occasion of the 70th anniversary of the October Revolution. In it he stressed that the collectivization of agriculture was a good thing and that it created the necessary preconditions for the growth of the Soviet Union's defensive power. This is not true, for it was precisely after collectivization that production fell. He was critical only of the cruelty that went hand in hand with collectivization. His idea of letting farmers work in family teams makes no changes to property ownership. Farmers remain a sort of serf. I find his agricultural policy his weakest point. He idealizes the collective farm [kolkhoz].

[Rottenberg] Gorbachev says that he wants more democracy. What does he mean?

[Djilas] He wants citizens to participate more in public life so that in this way the power base is broadened. Second, he means self-management—the right of the workers to elect the leadership of an enterprise. He greatly exaggerates the democratic content of this. For what is the point of this if the political leaders are not elected? In Yugoslavia workers' self-management plays no role in the political life of the nation; it is an ideological phrase and in fact has nothing to do with democracy. When workers' self-management was undergoing its greatest development here in the fifties and sixties, there was, at the same time, police terror.

Gorbachev has a naive view of the "creative power" of the masses. He has a utopian faith in the masses. This is connected with his feeling that he is accomplishing a revolution. The masses are creative under special circumstances, such as war and revolution. I do not expect any major changes under Gorbachev, not in the democratic sense. The Soviet Union will experience a long period of crisis and will principally concern itself with internal problems.

Foreign Policy Committee On Ties With Israel

LD192042 Belgrade TANJUG in English 1739 GMT 19 Jan 88

[Text] Belgrade, Jan 19 (TANJUG)—The Yugoslav Federal Assembly's Foreign Policy Committee today strongly condemned the persecution and genocide Israel was conducting against the Palestinian population in the occupied territories.

As stated at the committee's meeting, such conduct by Israel has significantly affected and will continue to affect in the future Yugoslavia's commitment relating to the development of the two countries' relations. Such conduct shows that there was no change in the conditions which led Yugoslavia to break off diplomatic relations with Israel in 1967.

The debate at the meeting affirmed the value and importance of Yugoslavia's consistent Middle Eastern policy, which places in the centre the right of the Palestinian people and all other peoples of the region to live freely in their country and independently decide on their future.

The influences and activities were growing stronger in Israel of those forces and that section of the public opinion which saw the settlement of the Middle East crisis in ending the occupation and in negotiations

within the framework of an international conference in which all interested parties and the United Nations Security Council's standing members would participate, the committee said.

According to the committee members' assessment, Israel's state policy was not changing, but quite the opposite, Israel was trying to ensure international support and recognition of the existing situation.

The meeting stressed the importance which agreements at the recent Soviet-U.S. summit, the first positive effects of which are already being felt, may have for the improvement of global international relations, and thus for the situation in the Middle East.

The resoluteness of Palestinians from the West Bank and Gaza Strip to fight for independence must also have a favourable effect on the development of political processes in Israel, it was said.

Noting that Israel had stepped up international activity over the past period with a view to re-establishing diplomatic relations with Yugoslavia, members of the committee maintained that conditions for this have not yet been created, and that there were no political reasons for which Yugoslavia would find it necessary to change its decision of over twenty years ago.

The committee noted that there was an interest and need for the two countries to maintain economic, tourist, scientific, cultural and sports cooperation—in accordance with the specific business needs of the parties involved in such forms of cooperation.

Delegation Holds Talks With EC Parliament

LD192249 Belgrade TANJUG Domestic Service in Serbo-Croatian 1706 GMT 19 Jan 88

[Text] Strasbourg, 19 Jan (TANJUG)—An SFRY Assembly delegation today met representatives of several groups of the European Parliament in Strasbourg, and Vinko Radisic, head of the Yugoslav delegation, assessed the talks as useful for advancing SFRY-EEC relations. Of particular significance was the fact that the exchange of opinions helped groups of various political orientations in the European Parliament to understand conditions in Yugoslavia more realistically, assessed Radisic.

Radisic, in his role as head of the group for cooperation with European [words indistinct] is attending today's discussion on Yugoslav-EEC relations. Julian Grimaldos, president of the European Parliament delegation for relations with Yugoslavia, in talks with Radisic and the head of the SFRY mission to the EEC, Ambassador Jozef Korosec, stressed the great usefulness of bilateral contacts. Grimaldos said that the European parliamentary delegation that he led on a visit to Belgrade last December had assessed its meetings with Yugoslav representatives as extremely direct and fruitful. Members of the European parliamentary delegation expressed their unanimous satisfaction, added Grimaldos, in particular with the extremely open and detailed discussions that they had when they were received by FEC President Branko Mikulic. Grimaldos invited an SFRY Assembly delegation to visit the European Parliament at the end of this year.

Radisic and Korosec also had talks with the president of the Socialist group, the largest group in the European Parliament, the West German Social Democrat Rudi Arndt, as well as with the president of the Liberal group, French Representative Simone Veil. The Yugoslav delegation will also meet representatives of other groups and it is expected that it will be received on Wednesday by European Parliament President Lord Plumb.

Ckrebic Meets Austria's Gratz, Mock in Vienna

LD200317 Belgrade TANJUG Domestic Service in Serbo-Croatian 1342 GMT 19 Jan 88

[Text] Vienna, 19 Jan (TANJUG)—Dusan Ckrebic, member of the LCY Central Committee Presidium, who is visiting Vienna in connection with the opening of an exhibition on Vuk Karadzic, today held separate talks with Leopold Gratz, president of the Austrian Lower House, and Alois Mock, foreign minister.

Issues of bilateral cooperation were considered, in particular economic relations and the implementation of the new 3-year program of cultural cooperation, as well as problems connected with the position of the minority in Carinthia and bilingual schools there.

Dusan Ckrebic briefed his hosts on the preparations under way for the forthcoming meeting of Balkan countries foreign ministers to be held in Belgrade.

Joint Talks With Iraq Begin in Baghdad

LD172216 Belgrade TANJUG Domestic Service in Serbo-Croatian 1238 GMT 17 Jan 88

[Text] Baghdad, 17 Jan (TANJUG)—In Baghdad this morning, Yugoslav-Iraqi negotiations began on economic cooperation in 1988, which should establish the directions for the development of economic relations between the two countries for this year. A particular issue in the negotiations will be the repayment of overdue Iraqi debts, in other words, the repayment of sums sought by Yugoslav work organizations from Iraqi investors.

Within the Yugoslav delegation it is stressed that Iraq, with which economic cooperation has been developing successfully now for years, is one of the most important economic partners that our country has among the developing countries.

Over 100 Yugoslav work organizations are taking part, with almost 8,000 specialists, in the implementation of Iraqi economic plans [words indistinct]

The delegations are led by Dr Milenko Sarac, deputy president of the Federal Committee for Energy and Industry, and Tahir Husun, Iraqi deputy minister for housing and construction [name and title as received]. The heads of the delegations are also vice presidents of the mixed committee for economic and scientific-technical cooperation between the two countries.

Mikulic To Visit Italy, Vatican 28-30 Jan

LD201128 Belgrade TANJUG Domestic Service in Serbo-Croatian 1009 GMT 20 Jan 88

[Text] Belgrade, 20 Jan (TANJUG)—FEC President Branko Mikulic will pay an official visit to Italy on 28-29 January this year, at the invitation of Italian Prime Minister Giovanni Goria.

President Mikulic will also visit the Vatican on 30 January.

Mojsov Receives Maltese Delegation

AU171705 Belgrade BORBA in Serbo-Croatian 9-10 Jan 88 p 8

[Text] Belgrade, 8 Jan (TANJUG)—Lazar Mojsov, president of the SFRY Presidency, today received a Maltese parliamentary delegation led by Jimmy Farrugia, chairman of the Parliament. In a cordial and friendly talk, in which they discussed the hitherto positive results and prospects for cooperation between the two Mediterranean countries, they stressed the need for further mutual efforts in enriching this cooperation, particularly in the economic sphere.

It was also stressed that in these efforts the contacts between the two countries' parliaments play a very important role.

In addition to placing an emphasis on the importance of activities within the Nonaligned Movement, they particularly stressed the importance of the activities of Malta and Yugoslavia toward preserving the continuity of the CSCE. In that respect it was stated that turning the Mediterranean into a zone of peace and broad cooperation is closely related to the overall development of the situation in Europe and the world, and that Yugoslavia and Malta play a prominent role.

Mojsov Receives U.S. Senator Arlen Specter

LD202058 Belgrade TANJUG Domestic Service in Serbo-Croatian 1842 GMT 20 Jan 88

[Text] Belgrade, 20 Jan (TANJUG)—In the Federation Palace, Lazar Mojsov, president of the SFRY Presidency, today received U.S. Senator Arlen Specter, who is on a brief visit to Yugoslavia.

Talks which took place on this occasion referred to a number of issues on developments in international relations, especially in light of the recent U.S.-Soviet summit and the treaty on eliminating medium-and shorter-range missiles.

The talks were also attended by the U.S. ambassador in Yugoslavia, John Scanlon.

CC Income 'Probably Completely Realized'

AU191240 Belgrade BORBA in Serbo-Croatian 12 Jan 88 p 3

[Text] Belgrade, 11 Jan (TANJUG)—The LCY Central Committee's income of 5.866 billion dinars planned for last year was probably completely realized. Of course, the final figures will only be available at the end of February when, like in all other organizations, the final accounts are completed. The inflow of funds in the first 9 months was promising—no losses were anticipated.

As is well-known, the whole world of communism is almost 100 percent self-financing. Only one small, almost negligible, part of the funds is received from other sources. Last year, for instance, out of the above-mentioned 5.866 billion dinars, the LCY Central Committee received only 123 million dinars from the federal budget to finance the programs of general-social importance.

The top party forum finances itself by receiving a certain percentage of membership fees collected by all the republican and provincial LC organizations, the LC organization in the Yugoslav People's Army, and the LC organizations in the organs and organizations of the federation.

As is pointed out in the Central Committee, all funds are intended for financing the work of the LCY Central Committee and its organs and bodies.

From a long list of expenses, let us mention only some: international cooperation was planned to "cost" 231 million dinars; officials' expenses (personal incomes, including tax and contributions) are expected to cost 285 million dinars; officials' living quarters 125 million dinars; travel expenses within the country 117 million dinars; travel expenses abroad 18 million dinars; the maintenance of the LCY Central Committee's part of the building, 646 million dinars, and so forth.

This is also an opportunity to learn how much the members of the LCY Central Committee Presidium earn. Their income is calculated by multiplying the base pay, that is, the average national income, by five. In 1987 the base pay was considered to be 118,000 dinars (which is considerable lower than the real average personal income in Yugoslavia) and therefore the personal incomes of the LCY Central Committee Presidium members amounted to 590,000, without taking grades into account.

Stambolic Candidate To Head Yugoslav Bank

LD202209 Belgrade TANJUG Domestic Service in Serbo-Croatian 1946 GMT 20 Jan 88

[Text] Belgrade, 20 Jan (TANJUG)—According to information to be published tomorrow in the "We Have Learned" column in BORBA, Ivan Stambolic, member of the Presidency of the SR of Serbia, is a candidate for the post of director of the Yugoslav Bank for International Economic Cooperation [JUMBES]. A decision to this effect is to be passed by delegates from over 200 export organizations from all parts of Yugoslavia—cofounders of this Belgrade-based bank.

According to BORBA, the FEC has agreed with a proposal by the competent organs in the SR of Serbia to appoint Ivan Stambolic new director of JUMBES to replace the present one, whose mandate expires soon. All republics and provinces have been previously consulted and have given their approval of the proposed candidate from the SR of Serbia, BORBA says.

Zarkovic Briefs Foreign Journalists

AU201815 Belgrade POLITIKA in Serbo-Croatian 15 Jan 88 p 6

[TANJUG report: "Proposed Constitutional Changes Facilitate Shift in Socioeconomic Relations"]

[Text] At the plenary session held the day before yesterday, the members of the LCY Central Committee were unanimous in their assessment that the content of the draft constitutional changes was in line with the 13th LCY Congress resolutions, said Vidoje Zarkovic, member of the LCY Central Committee Presidium. In his meeting with foreign journalists accredited to Belgrade, he also said that the Central Committee members agreed in their assessment that the proposed changes ensure the continuity in the development of the political system and that they facilitate a shift in socioeconomic relations.

During the talks held in the TANJUG international press center, Vidoje Zarkovic briefed foreign journalists about the aims and results of the LCY Central Committee discussion on draft constitutional amendments. Judging by the number of journalists—there were more than 50 present—and questions raised, there was great interest in this topic.

Adopting these changes does not mean dropping any of the basic, strategic tenets contained in the basic principles of the Constitution. They are consistent in the defense of our socialist revolution's achievements, Zarkovic said.

He explained that one of constitutional changes' aims is to cut any further strengthening of statism and to enable the political system to contribute as efficiently as possible toward overcoming the economic crisis.

According to Zarkovic, the very high level of unity achieved at the session held the day before yesterday has special value because it concerns a very important social task. This kind of unity, which was made possible by the fact that at the 13th LCY Congress the LCY had clear views about the kind of changes it wanted, promises that the remaining stages of this process will be successfully completed in time.

One of the most important tasks of the Communists in the public debate will be, Zarkovic said, to oppose those views that are trying to turn back the wheel of history. Attempts, the essence of which, is to introduce a bourgeois parliamentary system or the return to state socialism are in contradiction with the strategic aims of the LC.

In many of their numerous questions, journalists were very specific and demanded among other things the explanation of the new elements offered in the draft constitutional changes as well as the explanation of some of the LC views. They were interested in the use of consensus, changes in the land policy, the election of the SFRY Presidency, joint investments, and the methods of the realization of the LC vanguard role.

One of the questions raised was connected with Slobodan Milosevic's speech delivered at the plenary session held the day before yesterday and his polemicizing with those who interfere in the republic's right to adopt its Constitution itself. Zarkovic said that he understood his speech as a message to those, who in a petty political way, negate the autonomy of the provinces and unity in Serbia. I am convinced that he did not mean the LCY Central Committee.

Zarkovic also rejected the view that the election of the new president of the SR of Serbia was done hastily. He stressed that the procedure was the same as in the election of the previous president.

Answering the question as to whether there were any proposals to limit opportunities for retired military personnel to hold political posts, Zarkovic said that preventing members of any profession from holding political posts would be a narrowing of democracy. He also reminded those present about the national character of the Yugoslav People's Army and of the fact that the Army's leading cadre represents a part of the organized socialist forces.

Mamula Addresses Retired Generals

AU161604 Belgrade NARODNA ARMIJA in Serbo-Croatian No.2530 7 Jan 88 p 2

["Excerpts" from speech Fleet Admiral Branko Mamula, federal secretary for national defense, in Belgrade on 29 December at a reception for generals and admirals who retire from active duty on 31 December 1987]

[Text] Addressing the retired generals and admirals, Fleet Admiral Branko Mamula, federal secretary for national defense, said among other things:

"On occasions such as this one, it is difficult to find the right words to say everything one would like to say, particularly if it is to the people who spent most of their lives fighting for the freedom of our peoples and nationalities, building the socialist self-managing society, and, in particular, creating and developing our Armed Forces.

"Only when one had such an attitude toward the aims of the revolution and socialist buildup was it possible to meet all the demands and challenges that have never been small or easy. One had to go through numerous difficult battles and trials, lead the revolution to victory, ensure conditions for an independent development of the country, and protect revolutionary achievements from assaults from various sides that we were confronted with all the time.

"During all this time you toughened up, learned, and passed examinations before the people and history, performing tasks set by the party headed by Tito.

"For a man there is no ideal more sublime than the knowledge that he has subordinated virtually his entire life, knowledge, skill, and all of himself to the interests of his country and the workers class and has done so during a crucial and tempestuous historical period that was decisive for the destiny of our country.

"In all this, your contribution to the combat buildup of the Yugoslav People's Army and the Armed Forces was greatest, of course, because you spent the largest part of your working time at high and even the highest officers' posts in all parts of our country.

"Today we can assert with pride that significant results have been achieved during these 46 years of constant creation and development of our Armed Forces and of the buildup of the entire system of all-people's defense and social self-protection. These results include your efforts and deeds too, and they are built into our military theory and the wartime and peacetime practice of our Armed Forces.

"However, as you know, the army must be developed and strengthened further in order to be able to perform its responsible social role in the future.

"Among other things, there are two basic reasons why we have to do this:

"First, because of the complex military-political situation, which is still full of dangers, and especially the development of Armed Forces and the new offensive doctrines of using those Armed Forces which are directed primarily toward regions and countries of the 'Third World.' For these reasons, we are forced to continue the process of technological modernization, and organizational and overall improvement of our Armed Forces even under the present very narrow material possibilities.

"On the other hand, because of various destructive and retrograde processes in the country, which are increasingly directed toward the Army and even try to become established in it, we must continue to work in an organized, devoted, and very responsible fashion with a view to preserving the moral-political unity and firmness of the Armed Forces even under such complex internal conditions.

"It will still be necessary to do everything in our power in order to protect the Army from various hostile, nationalist, and other antisocialist ideologies and processes which are ever more intensive in our society and to which a number of Army members succumb, mostly soldiers, but some officers too.

"You are witnesses of the fact that we permanently attach first-class importance to strengthening the morale of the Yugoslav People's Army, territorial defense, as well as the system of all-people's defense and social self-protection. Our national liberation struggle and socialist revolution confirm the fact that the quality of the human factor represents a primary factor in the overall strength of the society, particularly in the sphere of preparations for and waging of the all-people's defense war. This is our historical but also general experience, and it has of exceptional importance and permanent value in the buildup of the Armed Forces and the entire defense-protection system, particularly in our current difficult period.

"We are all concerned about this complex situation in which we as a society have found ourselves, but we must not be influenced by those people who claim that the situation is hopeless and that there is no future for us. There is future for us and for this society, but we have to bear in mind the fact that that future will depend on the way and the extent we fight for it.

"We must be aware of the fact that nationalist phenomena and attempts at division in any way represent the greatest danger for our multinational country and Armed Forces. If we fail to protect ourselves from that, then we will not protect ourselves from other dangers we are confronted with either.

"We have to be aware all the time that no intrarepublican or other quarrels must lead us to one side or the other and line us up on that basis. I think that we will contribute the most to the Yugoslav community if we continue to behave exactly as we have behaved in the Army so far.

"I am convinced that you will continue to go resolutely and steadily along Tito's road in your present communities too and remain being active fighters and revolutionaries.

"Your rich experience, your proper words, and your practical action will always be welcomed in all social communities. Therefore, I now do not think that we are

parting. You are soldiers of this revolution and I am convinced that you will remain its fighters until the end of your lives, wherever you are."

Macedonian Daily Scores Christmas Messages

AU191906 Belgrade BORBA in Serbo-Croatian 11 Jan 88 p 10

[N.B. report: "Congratulations as Pressure"]

[Text] Commenting on the Christmas messages to believers in Slovenia and Patriarch German's Christmas message, NOVA MAKEDONIJA writes that "having raised this question to the highest political level, many inside and outside Slovenia saw it as the establishment of a partnership between church and state, an attempt to force the state to 'correct its mistake,' and open pressure from unconcealed clericalism...."

The journalist, Gordana Ristevska, writes that the content of Patriarch German's Christmas message, which mentioned the marking of the 70th anniversary of the breach of the Salonika Front, implies that "matters have a deeper meaning beyond the theme of Christmas." Greetings and messages for the religious holiday were insisted on exactly because of the element of national identity and national homogeneity inherent in it. This implies that the church is not satisfied with only worrying about the souls of its followers in the churches, but increasingly strives to worry about the nation and has taken a step that amounts to the manipulation of religion as a private move toward political aims on the public stage. There is no doubt that the greetings were a political act, and if they stem from different ideopolitical concepts, they cannot help but lead to the imposition of political pluralism. That is not religion but pure politics. In other words, when they come from the other side they are doing nothing more than flirting with the faithful, regardless of whether the faithful constitute a large or small SAWP membership."

"Whatever," writes NOVA MAKEDONIJA, the greetings "have become a reality that cannot be denied its political resolve and direction. The new clericalism swings on the wave of politicization with which nonpolitical themes are politicized; morality, tradition, culture, and the people. Under the present conditions of deep social contradictions, even when there is no need for any changes in the relations between the religious communities and the state, the danger comes from their alliance with historically already defeated forces which are trying to resurrect themselves, to cover up the bloody pages of Yugoslav history which they in fact wrote by relying on the seed of national and religious hatred, intolerance, and discord."

Kosovo Affected By Power Cuts

LD202009 Belgrade TANJUG Domestic Service in Serbo-Croatian 1643 GMT 20 Jan 88

[Text] Pristina, 20 Jan (TANJUG)—Troubles with electricity and post and telecommunications continued in Kosovo today. Electricity for general consumption is not supplied to Pristina and a number of other places in the province owing to faults on the long-distance powerlines. Only factories and other production organizations are not included in electricity reduction.

At the dispatch center of Elektroprivreda Kosovo, they say that the power cuts occur on powerlines because of heavy deposits of dust from Obilic thermoelectric plants which, in addition to thick fog, leave deposits on distributors and causes short circuits.

Telex connections are also cut off today because of power cuts, and telephone communications with other parts of the country are also affected.